

Date: 7/28/17

From: Cathy Zumbrun, Chair, Calvert Shores Organizing Committee

To: Calvert County Board of Commissioners

c: Terry Shannon,

Re: Staff Report dated 7/27/17 on Proposed Calvert Shores Municipality

Thirteen months later, county staff have still not apparently read Calvert Shores documents submitted to the BOCC nor acknowledged corrections and information given to them since then, including the attachments regarding POACRE membership's vote last July to transfer roads to Calvert Shores. See below the == line for our rebuttal last June. Updated items in the report are listed below with our response.

“Minimal public feedback” – We think over 150 people showing up the public hearing is not minimal. The majority of the speakers by over a 2 to 1 ratio were for approving the referendum and as evidenced by applause, most of the audience was too. In addition, are you to discount the over 2,000 people who signed the petition – over 28% of the registered voters?

“...that residences and businesses located outside of CRE would see a tax increase” – As stated in the Issues Report and in the June 21, 2016 letter below, a rebate of the \$78 average for the 3% of non-CRE residents is proposed. Guidelines on boundaries for municipalities recommend following natural borders (such as roads) and this was followed in the creation of the boundaries. Inclusion of the business district was also based on the recommendations of the Maryland Municipal League and the mayors of Chesapeake Beach, North Beach, La Plata and Leonardtown. Businesses have been contacted repeatedly, as outlined in the memo below and prior to the public hearing all businesses in the Lusby town center were visited in person and offered flyers about the Public Hearing. Many of these businesses posted the flyers in their windows. No businesses have publically stated opposition except for one pizza shop and Commissioner Mike Hart and none testified at the public hearing. We believe the additional 5 cents tax per \$100 dollars of assessed value is so low that there no fear of an unbridled tax burden. We do not see businesses leaving Chesapeake or North Beach, nor do we expect to lose any in Lusby.

“...tax differential”,.... “Services must be identified that the County now provides, that going forward, would now be provided by the new municipality.” This is not a math decision, but a political decision that is made between the BOCC and the towns each year. Is this policy consistent with other towns, such as, in 1900, did the county build and maintain the roads in Chesapeake Beach or were they built by the developers? What services should the county provide and what taxes should residents be paying when they do not receive the same services that other county residents receive?

We thank you for attending the Public Hearing and we hope you will consider our input objectively and reverse your decision and allow the residents to vote on whether or not to become a municipality.

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Original Memo Below Delivered June 21, 2016 at the BOCC meeting:

My name is Cathy Zumbrun, of Lusby, and I am representing the Calvert Shores Organizing Committee.

We are disappointed that you, the Commissioners did not grant our request to have a meeting to discuss the request for a referendum to create the municipality. This would have been an opportunity to answer any questions, respond to staff’s conclusions, and discuss funding and timing of transfer of funds for the benefit of both parties. Instead we read late last week that county staff sent you a memo (June 1). In addition, only one phone call was received from a county employee to clear up any questions. Again we are disappointed at the inaccuracies and consequently flawed conclusions. We have strong objections to many statements made by staff. There is no data or sources offered to support their arguments. There are innuendo’s from persons or entities that did not use the due process of the public hearing to air their questions and concerns. We would like to know which persons or businesses contacted the county, other than Mike Hart, that influenced the statements provided by county staff. We would like to contact persons or businesses that have concerns.

Summary Section

Business’s lack of adequate notice - It does not appear that anyone read Issue’s page 14 and Fiscal Impact Report page 5, which stated numerous outreach, including 10 events on the grounds of the shopping centers, in person and electronic contacts, advertised in the newspaper with public notice as required by law. There has been a lack of interest and response which indicates this is not a significant issue. It appears that undue weight is being given to a small number (a few dozen) businesses vs. 10,000 residents.

STD – According to staff the STD qualifies for FEMA – but it is not a **State** created Special District, and therefore is not eligible per FEMA Guidance Doc. # 104-009-2, chapter 2, section II C.

Cons

“Normally a muni will cost residents more”. This is a false assumption as there is a net decrease in cost of over \$446 for 97% of residents when factoring in the elimination of the STD (\$250) and the Roads fee (\$194). The remaining 3% of Non CRE Residents paying for roads – ignores that the committees written commitment to refund the minimal \$78 per year costs, which is also offset by increased property values. Note these figures do not include the “differential” tax that residents would no longer pay to the county and would instead pay the municipality. The final differential formula would be decided between the new city council and the BOCC.

Differential – According to staff “without considering the road the differential would be approximately \$.105”. This assumes that the county has no financial responsibilities for our roads, as you state all CRE roads do not meet standards, even while some county roads do not meet standards yet our taxes are supporting maintenance and improvement of them. We have tried for decades to have the county take over the roads, and the reply is that our roads do not meet standards but no formal written review has been completed.

STD – “unclear why the same (*roads and improvements*) cannot be accomplished by the STD...”, there is strong opposition to the unfair, regressive, double taxation and even more insulting it is not tax deductible.

Water Company – “Not well defined how the Water and Sewer infrastructure will operate.” This is very clearly stated in the Charter, section 13.2 (a), p. XIII-35), there is no change in territory, service, or responsibility, before or after the creation of the municipality. Note this is also mentioned in the General Section about county sewer and water.

Administrative Costs – presumes building a town hall, when there is space available for rent in the town center and business park.

General

“The municipality will be taking on a lot of responsibility and liability”. The responsibility already exists for the residents without the benefit of the taxes that are paid to the county, which does not take responsibility. Liability exists now, which would be mitigated by the municipality.

Quality of Services – “There are no guarantees CS provides the same quality of services currently provided by the County upon incorporation”. We experience a severe absence of services yet we are fully taxed for the few services we receive. Staff’s response suggests turf protection and is based on conjecture. It may be difficult for staff to be objective when the result could be a loss in staffing or responsibilities.