



**CALVERT COUNTY
BOARD OF COUNTY COMMISSIONERS**

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Board of Commissioners
Earl F. Hance, President
Steven R. Weems, Vice President
Mike Hart
Thomas E. Hutchins
Kelly D. McConkey

January 26, 2021

VIA ELECTRONIC & FIRST CLASS MAIL

The Honorable Jack Bailey
402 James Senate Office Building
11 Bladen Street
Annapolis, MD 21401

The Honorable Michael A. Jackson
3 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

The Honorable Mark N. Fisher
202 House Office Building
6 Bladen Street
Annapolis, MD 21401

The Honorable Jerry Clark
324 House Office Building
6 Bladen Street
Annapolis, MD 21401

Re: Local Bond Authority Request

Senators Bailey and Jackson and Delegation:

Our Department of Finance & Budget has recommended the Board seek bond authority in the amount of \$26,453,345 for the projects identified within the attached. This includes issuance costs of One Hundred Fifty Thousand Dollars (\$150,000) and Sixteen Million Fifty-Three Thousand Three Hundred Forty-Five Dollars (\$16,053,345) in Bonds to be repaid by the Operating Budget for:

- Board of Education Systemic Projects;
- Dunkirk District Park Upgrades;
- Appeal Salt Barn;
- Ball Road Elliptical Culvert Rehabilitation; and
- St. Leonard Fire House

Ten Million Two Hundred Fifty Thousand in Bonds that would be repaid by Enterprise Funds:

- Appeal Landfill – Construct Transfer Station;
- Barstow Convenience Center – Upgrade;
- Chesapeake Heights Water Distribution Center; and
- Highland Low-Pressure Sewer System.

As has been the tradition in Calvert, the Board of County Commissioners seeks authority for a complete project, then only sells bonds based upon that authority to fund the progress of approved projects. This programmatic technique ensures projects that are started have the financial capacity to attain completion. Not selling bonds until the funds are required, for the foreseeable 18-months future, ensures that principle and interest are not paid on loans before the funds are needed. This model can create a perception of underutilized bond authority; however, it is also a part of the network of fiscal procedures that earned the County AAA bond ratings from all three rating agencies.

Thank you for your continued support of local initiatives for the benefit of our community.

Sincerely,

**BOARD OF COUNTY COMMISSIONERS
CALVERT COUNTY, MARYLAND**



Earl F. Hance, President



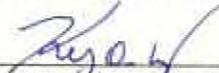
Steven R. Weems, Vice President



Mike Hart



Thomas E. Hutchins



Kelly D. McConkey

**BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY
2021 LEGISLATIVE REQUESTS**

LEGISLATIVE REQUEST FORM

PLEASE RETURN TO COUNTY ATTORNEY'S OFFICE

By submitting this form, you are asking the Board of County Commissioners to support your request for State legislation.

Requesting County Commissioner or Department: Finance & Budget

Contact Person: Veronica Atkinson, Capital Projects Analyst

Extension: x2286

Describe the Need(s) or Reason(s) for Legislative Action: Finance & Budget requests bonding authority for Calvert County for capital projects starting FY 2022

Per *Section IV, Debt Limits, Calvert County Debt Policy*, the County periodically requests authorization from the General Assembly, which specifies a "not to exceed" principal amount of bonds that can be issued pursuant to that authorization.

The County has a Debt Affordability Model that it uses to determine the amount of new debt the County can afford to support. The model is driven by revenue and growth assumptions with established standards controlling the amount of new debt to be issued over the life of the Capital Improvement Plan (CIP). The County uses the following guidelines in deciding how much additional General Obligation Debt may be issued in the six-year CIP period:

1. The ratio of General Fund Debt Service to General Fund Revenue; 9.5%;
2. The ratio of General Fund Debt to Assessed Value of Taxable Real Property; 1.8%; and
3. Other standards as may be appropriate.

Legislative Reference/Citation: (example: Annotated Code, Local Government Article, §3-301)

- Section 31, Article 31 of the Annotated Code of Maryland.
- Resolution 37-09, Calvert County, *Pertaining to the Adoption of a Debt Policy*
- Resolution 48-13, Calvert County, *Pertaining to the Amendment of the Debt Policy for Calvert County, Maryland*
- Resolution 12-19, Calvert County, *A Resolution for the Purpose of Adopting the Operating and Capital Improvement Budgets for Fiscal Year 2020 and Levying Taxes*

Please State Specific Language Requested (below or on a separate sheet, if necessary):

Request of \$26,453,345 for Bond Authority for the following projects:

| Project | FY2022 | Remainder of Project | Total Bonding Authority | Planned Issuance Year | Bond Terms Years |
|---|----------------------|----------------------|-------------------------|-----------------------|------------------|
| General Fund: | | | | | |
| Board of Education Systemic Projects (HVAC) | \$ 2,538,945.00 | \$ 1,959,300 | \$ 4,498,245 | FY22-FY23 | 15 Years |
| Dunkirk District Park Upgrades | 885,000 | 2,020,100 | 2,705,100 | FY22 - FY23 | 15 Years |
| Appeal Salt Barn | 850,000 | - | 850,000 | FY22 | 15 Years |
| Ball Road Elliptical Culvert Rehabilitation | 1,000,000 | - | 1,000,000 | FY23 | 15 Years |
| St. Leonard Fire House | 850,000 | 6,150,000 | 7,000,000 | FY22 - FY24 | 15 Years |
| Total General Fund | \$ 5,923,945 | \$ 10,129,400 | \$ 16,053,345 | | |
| Enterprise Funds: | | | | | |
| Fund 3 Solid Waste & Recycling: | | | | | |
| Appeal Landfill - Construct Transfer Station | \$ 4,000,000 | \$ - | \$ 4,000,000 | FY22 | 25 years |
| Barstow Convenience Center - Upgrade | 3,000,000 | - | 3,000,000 | FY 22 | 25 years |
| Total Solid Waste & Recycling Fund 3 | \$ 7,000,000 | \$ - | \$ 7,000,000 | | |
| Fund 2 Water & Sewer | | | | | |
| Chesapeake Heights Water Distribution Center | 1,000,000 | - | 1,000,000 | FY22 | 25 years |
| Highland Low Pressure Sewer System | 2,250,000 | - | 2,250,000 | FY22 | 25 years |
| Total Solid Waste & Recycling Fund 2 | \$ 3,250,000 | \$ - | \$ 3,250,000 | | |
| Total Enterprise Fund | \$ 10,250,000 | \$ - | \$ 10,250,000 | | |
| Issuance Costs | 150,000 | - | 150,000 | | |
| TOTAL BOND AUTHORITY REQUEST | \$ 16,323,945 | \$ 10,129,400 | \$ 26,453,345 | | |

Board of Education Heating, Ventilation, and Air Conditioning: Replacement of multiple Heating and Airconditioning components and system controls at multiple Calvert County Schools. The equipment is beyond its useful life and continues to rapidly deteriorate causing system malfunctions, poor air circulation and costly repairs. In some instances, the equipment's replacement parts are no longer manufactured.

Dunkirk District Park: Replacement of aged playground equipment that no longer meets newer ADA guidelines, the relocation and replacement of Tennis Courts with a new restroom, replacement of existing aged ball field restrooms and the installation of a Splash Pad with an adjacent restroom.

Appeal Salt Barn: This project is for the construction to replace an existing salt facility currently located on Highway Maintenance Facility. This facility will include but not limited to a salt barn, brine operation upgrades and storage structure for materials.

Ball Road Elliptical Culvert Rehabilitation: There is an Elliptical (20'x34') CMP Culvert near 805 Ball Road that needs to be rehabilitated to keep its structural integrity and continue to support the road. The plan is to add a concrete bottom to the structure and coat the remaining section of the culvert with a Polymer coating for protection.

St. Leonard Fire Department and Rescue Squad Replacement: Replacement of the current facility located at 200 Calvert Beach Road. The current facility was built in 1985 and expanded in 1994, the facility was assessed by a 3rd party engineering firm and the evaluation team consisted of an Architect, Structural Engineer and Mechanical/Electrical Engineers. The assessment determined St. Leonard Fire Department and Rescue Squad replacement due to the structures age and optimal operating deficiencies.

Appeal Landfill- Construct a Transfer Station: This new facility that will be county owned and will allow for separate service areas for residential and commercial customers.

Barstow Convenience Center Upgrades: The cost includes change to the ingress and egress of the facility, storm water management improvements, new compactors, and construction of a retaining wall. This facility will be the County's third largest convenience center.

Chesapeake Heights Water Distribution System Replacement: This project will replace water distribution lines through Chesapeake Heights water system, along with installing new valves and fire hydrants. The existing system is deteriorating and causing multiple main line breaks, service reliability, and water quality.

Highland Low-Pressure System: The highlands low pressure sewer system is needed to address increasing failing septic systems within the subdivision. Each property lateral septic tank will be rerouted to a grinder sump located on each property which will deliver effluent to a common low-pressure force main. Project will serve both Town of Chesapeake Beach and Calvert County residents.

If you need any assistance, please contact the County Attorney's Office at Ext. 2566 or John.Norris@CalvertCountyMD.gov.