



**MAYOR AND COMMISSIONERS OF
THE TOWN OF NORTH EAST
ORDINANCE NUMBER 2025-05-01**

AN ORDINANCE FOR THE PURPOSE OF ADOPTING THE FISCAL YEAR 2026 BUDGET, REAL AND PUBLIC UTILITY/RAILROAD OPERATING TAX RATES FOR THE TAXABLE YEAR BEGINNING JULY 1, 2025, AND A HOMESTEAD CREDIT PERCENTAGE TO BE APPLIED FOR THE PURPOSES OF THE HOMESTEAD TAX CREDIT UNDER STATE LAW; STATING CERTAIN PROJECTED EXPENDITURE AND EXPENSE ALLOCATIONS; SPECIFYING CIRCUMSTANCES UNDER WHICH APPROVAL OF THE MAYOR AND COMMISSIONERS IS REQUIRED FOR MODIFICATIONS TO REVENUES AND EXPENDITURES; ESTABLISHING EMPLOYEE SALARY INCREASES, AND GENERALLY RELATED TO A COMPREHENSIVE FISCAL PLAN FOR THE TOWN OF NORTH EAST FOR THE PERIOD JULY 1, 2025 THROUGH JUNE 30, 2026.

WHEREAS, the Mayor and Commissioners of the Town of North East have complied with the Town Charter, causing to have published a notice of the public hearing and holding a public hearing with regard to the budget; and

NOW THEREFORE, BE IT ENACTED BY THE MAYOR AND COMMISSIONERS OF THE TOWN OF NORTH EAST AS FOLLOWS:

SECTION 1. That the Town of North East Budget: Fiscal Year 2026 as set forth in Exhibit I attached to this Ordinance and incorporated by reference is hereby adopted as the budget for the Town of North East and the amounts shown in the budget appropriated for the period beginning July 1, 2025 through June 30, 2026;

SECTION 2. That the Town of North East Real Property Tax Rate for the Fiscal Year beginning July 1, 2025 and ending June 30, 2026 shall remain the same at \$0.4800 per \$100.00 of assessed property value, and such tax is hereby levied on all real property located in the Town of North East that is subject to municipal taxation;

SECTION 3. That the Town of North East Public Utility Operating Property and Railroad Operating Property tax rates for the Fiscal Year beginning July 1, 2025 and ending June 30, 2026 shall remain the same at \$1.200 per \$100.00 of assessed property value, and such tax is hereby levied on all public utility operating property and railroad operating property located in the Town of North East that is subject to municipal taxation;

SECTION 4. That for the purposes of the homestead tax credit provided by Section 9-105 of the Tax Property Article of the Annotated Code of Maryland the homestead credit percentage is 108 percent;

SECTION 5. That the annual residential refuse fee shall increase from \$321.73 to \$334.60 per residential unit;

SECTION 6. That the water service charges for all classifications of in-town customers shall increase to \$11.46 per 1,000 gallons with a minimum bill of 5,000 gallons per equivalent residential unit per quarter for the period beginning July 1, 2025 through June 30, 2026; and that all properties with a water allocation shall be billed a minimum bill regardless of the water service having been shut-off either voluntarily or due to non-payment;

SECTION 7. That the water service charges for all classifications of out-of-town customers shall increase to \$22.92 per 1,000 gallons with a minimum bill of 5,000 gallons per equivalent residential unit per quarter for the period beginning July 1, 2025 through June 30, 2026 and that all properties with a water allocation shall be billed a minimum bill regardless of the water service having been shut-off either voluntarily or due to non-payment;

SECTION 8. That in addition to applicable Major Facilities and Connection Fees, the Ready To Serve charge is an amount equal to one half of the established water service charge times the number of equivalent residential units proposed to be served;

SECTION 9. That an equivalent residential unit shall be calculated by dividing the number of gallons per day required by the *Allocations for Municipal Water Town of North East, Maryland Policies and Procedures* (as adopted and amended by the Mayor and Commissioners) by 250 gallons per day and rounded to the next whole number;

SECTION 10. That upon request and upon availability water will be sold from the plant(s) at a bulk charge rate basis from time to time at the rate of \$57.30 per 1,000 gallons;

SECTION 11. That the hydrant meter serving construction sites charges for in-town customers shall increase to \$11.46 per 1,000 gallons and for out-of-town customers shall increase to \$22.92 per 1,000 gallons;

SECTION 12. That the Connection Fee for in-town and out-of-town customers for meters up to one inch (1") in size shall remain the same at \$2,825 for all classifications;

SECTION 13. That the Major Facilities Fee for in-town and out-of-town customers shall remain the same at \$4,100 per equivalent residential unit regardless of the number of meters;

SECTION 14. That for the purposes of calculating allocations for residential development, the allocation shall be 250 gallons per day per unit;

SECTION 15. That the quarterly Storm Water Management Fee assessed to all in town properties shall increase to \$5.90 per equivalent residential unit;

SECTION 16. That for the purposes of calculating Storm Water Management Fees for residential development, all residential units comprised of Single Family, Condominium and Townhouses shall be based on an equivalent residential unit of 1,180 square feet of impervious surface regardless of the actual amount of impervious surface;

SECTION 17. That for the purpose of calculating equivalent residential units for all other properties consisting of Apartment Complexes, Commercial, Institutional and Industrial units, the Storm Water Management Fee shall be calculated by dividing the actual square footage of impervious surface by 1,180 square feet rounded to the next whole number;

SECTION 18. That the Fiscal Year 2026 Staffing Table as set forth in Exhibit II attached to this Resolution and incorporated by reference is hereby adopted for the period beginning July 1, 2025 through June 30, 2026;

SECTION 19. That a 3.9%.Cost of Living Adjustment is authorized for all employees of the Town with an effective date of July 1, 2025;

SECTION 20. That unless, or except as, required by State law to be approved by Resolution, any of the following changes to the Fiscal Year 2026 Budget or allocations between departments shall require approval of the Mayor and Commissioners by Resolution:

1. Changes related to salaries or employee benefits
2. Any increase or decrease in appropriations or expenditures/expenses;

SECTION 21. That except as provided in Section 19 of this Resolution, the head of each department may make expenditure adjustments within the total amount of the allocations for the department without the approval of the Mayor and Commissioners;

SECTION 22. That the optional allowable standard auto mileage reimbursement rate to be equal to the IRS allowable rate at the time of the trip. Employees traveling on official Town business shall also be entitled to meals and incidentals per diem based on rates established by the United States General Services Administration for the city/region they are traveling to. Should the United States Government modify either of these rates during the fiscal year, the Town of North East will apply said rates for the remainder of the fiscal year;

SECTION 23. That the Mayor and Commissioners hereby establish the rate paid to each member of the Board of Supervisors of Elections of \$200.00 annually;

SECTION 24. The committed fund balance for sick leave payouts originally established by Resolution is \$18,207.11;

BE IT ORDAINED AND ESTABLISHED BY THE MAYOR AND COMMISSIONERS OF THE TOWN OF NORTH EAST THAT THE TOWN OF NORTH EAST FISCAL YEAR 2026 BUDGET AS SET FORTH IN EXHIBIT I OF THIS ORDINANCE AND INCORPORATED BY REFERENCE IS HEREBY ADOPTED AS THE BUDGET FOR THE TOWN OF NORTH EAST AND THE AMOUNTS SHOWN IN THE BUDGET APPROPRIATED FOR THE PERIOD BEGINNING JULY 1, 2025 AND ENDING JUNE 30, 2026.

BE IT ALSO ORDAINED AND ESTABLISHED THAT this Ordinance is adopted this 28th day of May 2025 and shall become effective on July 1, 2025.

ORDINANCE 2025-05-01
MAYOR AND COMMISSIONERS OF
THE TOWN OF NORTH EAST

Melissa B. Cook-MacKenzie
Attested By: Melissa Cook-MacKenzie
Town Administrator

Kelly A. Benson
Kelly A. Benson, Mayor

May 14, 2025
Date Introduced

Kimberly A. Davis
Kimberly A. Davis, Vice-Mayor

May 28, 2025
Date Passed

Catherine Bernard-Dutton
Catherine Bernard-Dutton, Commissioner

July 1, 2025
Date Effective

Hilary A. Crothers-Moore
Hilary A. Crothers-Moore, Commissioner

Neil M. DeMatt
Neil M. DeMatt, IV, Commissioner

Attachments: Exhibit I and Exhibit II

TOWN OF NORTH EAST PROPOSED BUDGET: FISCAL YEAR 2026

GENERAL FUND ANTICIPATED REVENUES

ACCOUNT	DESCRIPTION	PROPOSED BUDGET FY2026	APPROVED BUDGET FY2025	NOTES
10.000.311.10.10	REAL PROPERTY TAXES FULL YEAR	2,850,693	2,603,063	CALCULATED FROM 2025 CONSTANT YIELD TAX RATE CERTIFICATION.
10.000.311.10.20	REAL PROPERTY TAXES NEW CONSTRUCTION		5,000	COMBINED WITH REAL PROPERTY TAXES FULL YEAR FOR FY26.
10.000.311.10.30	ENTERPRISE TAX CREDIT	132,229	129,257	AMOUNT GIVEN BY CECIL COUNTY.
10.000.311.20.10	PUBLIC UTILITY OPERATING PROPERTY	115,149	117,858	
10.000.318.20.10	FRANCHISE TAXES	65,485	66,481	
10.000.319.00.00	INTEREST & PENALTIES ON TAXES		4,000	COMBINED WITH INTEREST REVENUE
10.000.322.00.05	YARD SALE PERMITS	60	60	
10.000.335.90.10	TRADERS' LICENCES	12,000	12,000	
10.000.335.90.20	ADMISSIONS & AMUSEMENT TAX	9,000	9,000	
10.000.337.10.00	CECIL COUNTY TAX DIFFERENTIAL	134,000	134,300	
10.000.337.20.00	FINANCIAL COOPERATION GRANT	1,178	1,178	
10.000.337.30.00	HOTEL TAX	200,000	210,000	ACTUAL FY25 PROJECTED.
10.000.337.70.00	CECIL COUNTY SOLID WASTE REBATE	6,149	6,148	
10.000.338.10.00	INCOME TAX	553,300	535,200	ACTUAL FY25 PROJECTED.
10.000.340.10.00	SPECIAL EVENT FEES	4,000	5,000	
10.000.361.00.00	INTEREST REVENUE	264,000	211,000	ACTUAL FY25 PROJECTED.
10.000.361.20.00	INTEREST ON LEASE RECEIVABLES	36,900	38,373	
10.000.362.00.00	RENTS & ROYALTIES	72,456	0	OMITTED FROM LAST 2 YEARS BUDGET IN ERROR.
10.000.369.00.00	MISCELLANEOUS	84,000	5,000	ACTUAL FY25 PROJECTED INCLUDING HEALTH INSURANCE SAVINGS ON CLAIMS.
10.000.370.00.00	ARPA GENERAL FUND REVENUE	0	800,133	ARPA FUNDS TRANSFERRED IN AS SPENT & BUDGET AMENDED.
10.000.392.00.00	PROCEEDS SALE OF FIXED ASSETS	1,000	1,000	
10.000.399.50.00	FUND BALANCE RESOURCES	0	(139,066)	FY25 BALANCING FUND BY TRANSFERRING EXCESS OUT. FY26 DOES NOT HAVE EXCESS.
10.000.399.50.00	RESTRICTED FUND BALANCE RESOURCES	0	84,517	TRANSFERING IN FUNDS RESTRICTED FROM PRIOR YEARS AS SPENT.
10.400.322.00.00	NON BUSINESS LICENCES & PERMITS	600	7,000	
10.400.322.10.00	BUILDINGS STRUCTURES & EQUIPMENT	3,000	2,000	NOT A GRANT IN FY26.
10.400.334.14.05	CRITICAL AREAS	0	3,000	
10.400.341.30.00	ZONING & SUBDIVISION FEES	2,000	1,200	
10.420.351.00.00	FINES & FORFEITS	500	86,552	ACTUAL FY25 PROJECTED.
10.600.334.16.05	STATE AID FOR POLICE PROTECTION	86,000	3,000	ACTUAL FY25 PROJECTED.
10.600.334.16.20	STATE OF MARYLAND GRANT - SAFE STREETS	3,000	900	
10.600.341.10.00	DOCUMENTS & COPIES	900	180	ACTUAL FY25 PROJECTED.
10.600.351.00.00	FINES & FORFEITS	500	226,365	ACTUAL FY25 PROJECTED.
10.700.335.40.00	HIGHWAY USER REVENUES	225,000	526,029	EQUAL TO EXPENSE BASED ON CONTRACT & CURRENT # OF CUSTOMERS.
10.700.334.30.00	SANITATION-REFUSE FEES	562,800	62,360	NOT A GRANT IN FY26.
10.710.334.71.30	LEGISLATIVE BOND INITIATIVE		40,000	REMAINDER OF GRANT BUDGETED IN FY26.
10.710.334.71.40	MDOT-NEW CONNECTING BIKEPATHS GRANT	24,400	3,300	
10.710.347.40.10	PAVILION RENTALS	3,300		
TOTAL GENERAL FUND REVENUES		\$5,453,599	\$5,801,988	

TOWN OF NORTH EAST PROPOSED BUDGET: FISCAL YEAR 2026

GENERAL FUND EXPENDITURE APPROPRIATIONS

ACCOUNT	DESCRIPTION	PROPOSED BUDGET FY2026	APPROVED BUDGET FY2025	NOTES
10.100.411	MAYOR & COMMISSIONERS	98,571	74,782	INCREASED \$20,000 TO FUND BOARD STIPEND & \$3,000 BASED ON PROJECTED ACTUAL FY25 WINTER LIGHTS.
10.200.413	ADMINISTRATION	461,940	343,575	INCREASED PAYROLL BY ADMINISTRATION DISTRIBUTED DECREASED TO WATER DEPT. INCREASED IT PROJECTS.
10.300.415	FINANCE	139,550	125,191	INCREASED PAYROLL BY FINANCE DISTRIBUTED DECREASED TO WATER DEPT.
10.400.419	PLANNING	252,064	163,426	INCREASED PAYROLL BY PLANNING DISTRIBUTED DECREASED TO WATER DEPT.
10.410.419	BOARD OF APPEALS	4,450	4,380	
10.420.419	CODE ENFORCEMENT	53,227	63,145	DECREASED PT CODE ENFORCEMENT THOUGH FUNDS ARE IN CONTINGENCY WHEN POSITION APPROVED.
10.500.419	GENERAL GOVERNMENT	370,492	467,068	AS ARPA EXPENDITURES ARE INCURRED THE BUDGET WILL BE AMENDED.
10.600.421	PUBLIC SAFETY	2,284,358	2,588,784	FY25 INCLUDED ARPA EXPENDITURES THAT WILL NOT BE PART OF FY26. FY25 BIKEWAY GRANT MORE THAN FY26.
10.601.421	TRAFFIC CONTROL	8,518	14,829	DECREASED BUDGET TO ACTUAL CROSSING GUARD HOURS.
10.700.431	MAINTENANCE	1,477,176	1,505,371	FY25 INCLUDED ARPA EXPENDITURES THAT WILL NOT BE PART OF FY26. FY25 BIKEWAY GRANT MORE THAN FY26.
10.710.452	PARKS	115,500	241,521	FY25 INCLUDED ARPA EXPENDITURES THAT WILL NOT BE PART OF FY26. FY25 BIKEWAY GRANT MORE THAN FY26.
10.750.740	DEBT SERVICE	147,253	147,316	
10.790.400	ALLOCATIONS	40,500	62,600	AS OPIOID ABATEMENT FUNDS ARE DISTRIBUTED TO PARTNERS THE BUDGET WILL BE AMENDED.
TOTAL GENERAL FUND EXPENDITURES		<u>\$5,453,599</u>	<u>\$5,801,988</u>	

TOWN OF NORTH EAST
PROPOSED BUDGET: FISCAL YEAR 2026
WATER SERVICES ENTERPRISE FUND ANTICIPATED REVENUES

ACCOUNT	DESCRIPTION	PROPOSED BUDGET FY2026	APPROVED BUDGET FY2025	NOTES
50.000.331.10.20	ARPA REVENUE WATER FUND	0	872,573	ARPA FUNDS TRANSFERRED IN AS SPENT & BUDGET AMENDED.
50.000.334.50.10	MDE WATER QUALITY GRANTS	0	437,000	NOT A GRANT IN FY26.
50.000.334.50.20	MDE WATER QUALITY LOANS	0	42,000	NOT A LOAN IN FY26.
				FY25 BUDGET INCLUDED CAPITAL CONTRIBUTIONS IN THIS LINE, FY26 SEPARATE BUDGET LINE. BASED ON ACTUAL
50.000.340.10.00	WATER SERVICE CHARGES	3,806,600	4,095,035	FY25 PROJECTED WITH RATE INCREASE.
50.000.340.10.20	WATER SERVICE CHARGES - BULK SALES	23,000	12,000	ACTUAL FY25 PROJECTED.
50.000.340.20.00	WATER SERVICE CHARGES - READY TO SERVE	48,000	48,470	
50.000.340.20.00	PENALTIES - RETURNED CHECK FEE	2,500	1,500	ACTUAL FY25 PROJECTED.
50.000.340.70.05	PENALTIES - SECOND NOTICE FEE	50,000	48,000	ACTUAL FY25 PROJECTED.
50.000.340.70.10	PENALTIES - SHUT OFF FEE	4,000	13,200	ACTUAL FY25 PROJECTED.
50.000.340.70.20	PENALTIES - PULL/LOCK METER FEE	1,000	9,900	ACTUAL FY25 PROJECTED.
50.000.355.10.20	CONNECTION FEE	209,050	169,500	ESTIMATED BY DIRECTOR OF PLANNING.
50.000.361.00.00	INVESTMENT REVENUE	165,000	149,800	ESTIMATED BY DIRECTOR OF PLANNING.
50.000.369.00.00	MISCELLANEOUS	40,300	9,700	ACTUAL FY25 PROJECTED INCLUDING HEALTH INSURANCE SAVINGS ON CLAIMS.
50.000.397.00.00	CAPITAL CONTRIBUTIONS	430,440	0	ESTIMATED BY DIRECTOR OF PLANNING.
51.000.355.10.20	MAJOR FACILITY FEES	303,400	246,000	FY25 BUDGET TOO LOW. BASED ON ACTUAL FY25 PROJECTED & REFLECTS RATE INCREASE.
51.000.361.10.00	INVESTMENT EARNINGS - MAJOR FACILITY FEES	56,000	57,100	ACTUAL FY25 PROJECTED.
51.000.399.00.00	FUND BALANCE RESOURCES	(359,400)	(303,100)	FY25 BUDGET TOO LOW. BASED ON ACTUAL FY25 PROJECTED & REFLECTS RATE INCREASE.
TOTAL WATER SERVICE ENTERPRISE FUND REVENUES		<u>\$4,779,890</u>	<u>\$5,908,678</u>	

WATER SERVICES ENTERPRISE FUND EXPENDITURE APPROPRIATIONS

ACCOUNT	DESCRIPTION	PROPOSED BUDGET FY2026	APPROVED BUDGET FY2025	NOTES
50.800.432	WATER ADMINISTRATION	1,709,667	1,741,887	DECREASED PAYROLL BY GENERAL FUND DISTRIBUTED TO WATER DEPT DECREASED.
50.800.432.80	DEBT SERVICE	697,087	701,305	
50.850.432	WATER OPERATIONS	2,373,136	3,465,486	AS ARPA EXPENDITURES ARE INCURRED THE BUDGET WILL BE AMENDED.
TOTAL WATER SERVICE ENTERPRISE FUND EXPENDITURES		<u>\$4,779,890</u>	<u>\$5,908,678</u>	

**TOWN OF NORTH EAST
PROPOSED BUDGET: FISCAL YEAR 2026**

STORM WATER MANAGEMENT ENTERPRISE FUND ANTICIPATED REVENUES

ACCOUNT	DESCRIPTION	PROPOSED BUDGET FY2026	APPROVED BUDGET FY2025	NOTES
55.000.340.20.00	SERVICE CHARGES - STORM WATER MANAGEMENT	196,848	190,426	RATE INCREASE.
55.000.369.00.00	MISCELLANEOUS	1,700	0	HEALTH INSURANCE SAVINGS ON CLAIMS.
55.000.370.00.00	ARPA SWM FUND REVENUE	0	55,627	ARPA FUNDS TRANSFERRED IN AS SPENT & BUDGET AMENDED.
55.000.397.00.00	CAPITAL CONTRIBUTIONS	32,480	0	FY25 WAS OMITTED FROM BUDGET. FY26 ESTIMATED BY DIRECTOR OF PLANNING.
TOTAL STORM WATER MANAGEMENT ENTERPRISE FUND REVENUES		\$231,028	\$246,053	

STORM WATER MANAGEMENT ENTERPRISE FUND EXPENDITURE APPROPRIATIONS

ACCOUNT	DESCRIPTION	PROPOSED BUDGET FY2026	APPROVED BUDGET FY2025	NOTES
55.725.431	STORM WATER MANAGEMENT	231,028	246,053	AS ARPA EXPENDITURES ARE INCURRED THE BUDGET WILL BE AMENDED.
TOTAL STORM WATER MANAGEMENT ENTERPRISE FUND EXPENDITURES		\$231,028	\$246,053	

Town of North East Staffing Table - Fiscal Year 2025-2026

Ordinance 2025-05-01/ Exhibit II

(*) PROPOSED PROMOTIONS ARE FOR BUDGET PURPOSES ONLY. ALL PROMOTIONS RECOMMENDED BY A DEPARTMENT HEAD REQUIRE APPROVAL OF THE TOWN ADMINISTRATOR/PERSONNEL OFFICER PRIOR TO INITIATING ANY PROMOTIONAL PROCESS.

DEPARTMENTS POSITIONS		POSITIONS(*)		POSITIONS(*)	
		FY 2025	FY 2026	FY2025	FY 2026
		FT	FT	PT	PT
General Government					
Admin	Town Administrator	1	1		
Admin	Assistant Town Administrator	1	1		
Admin	Town Clerk	1	1		
Admin	Clerk	0	0	1	1
Admin	Grant Writer	1	1		
Finance	Director of Finance	1	1		
Finance	Finance Associate II	1	1		
Finance	Finance Associate I	0	0		
Finance	Billing Specialist II	1	1		
Finance	Billing Specialist I	0	0		
Planning	Director of Planning	1	1		
Planning	Planning & Zoning Assistant	1	1		
Planning	Planning & Zoning Assistant	0	0	1	1
	Total	9	9	2	2
Maintenance					
	Maintenance Supervisor	1	1		
	Maintenance I	2	2		
	Maintenance II	2	2		
	Maintenance III/Seasonal	0	0		
	Total	5	5	0	0
Public Safety					
	Chief	1	1		
	Captain	0	0		
	Lieutenant	1	1		
	Detective Sergeant	0	0		
	Sergeant	2	2		
	Corporal	1	1		
	Master Patrolman	2	2		
	Patrolman 1st Class	2	2		
	Patrol Officer	5	5		
	Uncertified - Cadet	0	0		
	Administrative Assistant	1	1		
	Crossing Guard			2	2
	Total	15	15	2	2
Water					
	Superintendent	1	1		
	Chief Operator	1	1		
	Chief Distribution System Operator	1	1		
	Operator	2	2		
	Trainee	1	1		
	Administrative Assistant	1	1		
	Total	7	7	0	0
GRAND TOTAL		36	36	4	4