



**MAYOR AND COMMISSIONERS OF
THE TOWN OF NORTH EAST
ORDINANCE NO. 2026-05-02**

AN ORDINANCE FOR THE PURPOSE OF ADOPTING THE FISCAL YEAR 2027 BUDGET, REAL AND PUBLIC UTILITY/RAILROAD OPERATING TAX RATES FOR THE TAXABLE YEAR BEGINNING JULY 1, 2026, 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 BENEFITS AND EMPLOYEE SALARY INCREASES, AND GENERALLY RELATED TO A COMPREHENSIVE FISCAL PLAN FOR THE TOWN OF NORTH EAST FOR THE PERIOD JULY 1, 2026 THROUGH JUNE 30, 2027.

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 2027 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, 2026 through June 30, 2027;

SECTION 2. That the Town of North East Real Property Tax Rate for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027 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, 2026 and ending June 30, 2027 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 \$334.60 to \$348.00 per residential unit;

SECTION 6. That the water service charges for all classifications of in-town customers shall increase to \$11.80 per 1,000 gallons with a minimum bill of 5,000 gallons per equivalent residential unit per quarter for the period beginning July 1, 2026 through June 30, 2027; 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 \$23.60 per 1,000 gallons with a minimum bill of 5,000 gallons per equivalent residential unit per quarter for the period beginning July 1, 2026 through June 30, 2027 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 \$59.00 per 1,000 gallons;

SECTION 11. That the hydrant meter serving construction sites charges for in-town customers shall increase to \$11.80 per 1,000 gallons and for out-of-town customers shall increase to \$23.60 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 \$2,910.00 for all classifications;

SECTION 13. That the Major Facilities Fee for in-town and out-of-town customers shall remain the same at \$4,225.00 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 remain the same at \$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 2027 Staffing Table as set forth in Exhibit II attached to this Ordinance and incorporated by reference is hereby adopted for the period beginning July 1, 2026 through June 30, 2027;

SECTION 19. That a 2.8% Cost of Living Adjustment is authorized for all employees of the Town with an effective date of July 1, 2026;

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 2027 Budget or allocations between departments shall require approval of the Mayor and Commissioners by Resolution:

- a) Changes related to salaries or employee benefits
- b) Any increase or decrease in appropriations or expenditures/expenses;

SECTION 21. That except as provided in Section 20 of this Ordinance, 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;

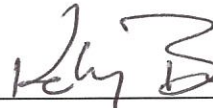
SECTION 25. That the Mayor and Commissioners hereby increase the amount they receive annually from a \$50.00 gift card to a \$250.00 gift card.

BE IT ORDAINED AND ESTABLISHED BY THE MAYOR AND COMMISSIONERS OF THE TOWN OF NORTH EAST THAT THE TOWN OF NORTH EAST FISCAL YEAR 2027 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, 2026 AND ENDING JUNE 30, 2027.

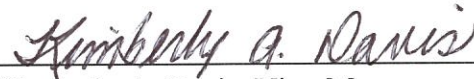
BE IT ALSO ORDAINED AND ESTABLISHED THAT this Ordinance is adopted this 27th day of May 2026 and shall become effective on July 1, 2026.

Ordinance No. 2026-05-02

**Mayor and Commissioners of the
Town of North East**



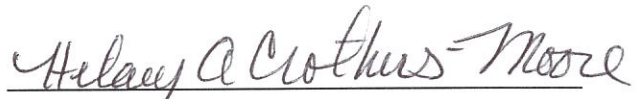
Kelly A. Benson, Mayor



Kimberly A. Davis, Vice-Mayor



Catherine Bernard-Dutton, Commissioner

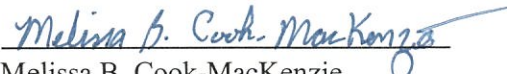


Hilary A. Crothers-Moore, Commissioner



Neil M. DeMatt, IV, Commissioner

Attachments: Exhibit I and Exhibit II

Attested By: 

Melissa B. Cook-MacKenzie
Town Administrator

Introduced Date: 5-20-26

Approved Date: 5-27-26

Effective Date: 7-01-26

**TOWN OF NORTH EAST
PROPOSED BUDGET: FISCAL YEAR 2027**

GENERAL FUND ANTICIPATED REVENUES

ACCOUNT	DESCRIPTION	PROPOSED FY27	APPROVED FY26
10.000.311.10.10	REAL PROPERTY TAXES-FULL YEAR	\$ 3,006,432.00	\$ 2,850,693.00
10.000.311.10.30	ENTERPRISE TAX CREDIT	\$ 132,229.19	\$ 132,229.00
10.000.311.20.10	PUBLIC UTILITY OPERATING PROPE	\$ 139,263.60	\$ 115,149.00
10.000.318.20.10	FRANCHISE TAXES	\$ 50,000.00	\$ 65,485.00
10.000.322.00.05	YARD SALE PERMITS	\$ -	\$ 60.00
100.000.335.90.10	TRADERS' LICENCES	\$ 5,000.00	\$ 12,000.00
10.000.335.90.20	ADMISSIONS & AMUSEMENT TAX	\$ 9,000.00	\$ 9,000.00
10.000.337.10.00	CECIL CO TAX DIFFERENTIAL	\$ 134,000.00	\$ 134,000.00
10.000.337.20.00	FINANCIAL COOPERATION GRANT	\$ 1,178.00	\$ 1,178.00
10.000.337.30.00	HOTEL TAX	\$ 188,158.00	\$ 200,000.00
10.000.337.70.00	CECIL COUNTY SOLID WASTE REBAT	\$ 6,149.25	\$ 6,149.00
10.000.338.10.00	INCOME TAX	\$ 358,102.00	\$ 553,300.00
10.000.340.10.00	SPECIAL EVENT FEES	\$ 2,500.00	\$ 4,000.00
10.000.361.00.00	INTEREST REVENUE	\$ 200,000.00	\$ 264,000.00
10.000.361.10.00	INTEREST ON NOTES RECEIVABLE	\$ 360.00	\$ -
10.000.361.20.00	INTEREST ON LEASE RECEIVABLES	\$ 38,831.00	\$ 36,900.00
10.000.362.00.00	RENTS & ROYALTIES	\$ -	\$ 72,456.00
10.000.369.00.00	MISCELLEANOUS	\$ 130,000.00	\$ 84,000.00
10.000.392.00.00	PROCEEDS SALE OF FIXED ASSETS	\$ 20,000.00	\$ 1,000.00
10.000.399.00.00	FUND BALANCE RESOURCES	\$ 380,000.00	
100.000.399.50.00	RESTRICTED FUND BALANCE RESOURCES	\$ -	\$ -
10.400.322.00.00	NON BUSINESS LICENCES & PERMIT	\$ 500.00	\$ 600.00
10.400.322.10.00	BUILDING STRUCTURES & EQUIPMENT	\$ 2,500.00	\$ 3,000.00
10.400.341.30.00	ZONING & SUBDIVISION FEES	\$ 2,000.00	\$ 2,000.00
10.420.351.00.00	FINES & FORFEITS	\$ 250.00	\$ 500.00
10.600.334.16.05	STATE AID FOR POLICE PROTECTION	\$ 101,064.00	\$ 86,000.00
10.600.334.16.20	STATE OF MARYLAND GRANT - SAFE STREETS	\$ -	\$ 3,000.00
10.600.341.10.00	DOCUMENTS & COPIES	\$ 500.00	\$ 900.00
10.600.351.00.00	FINES & FORFEITS	\$ 250.00	\$ 500.00
10.700.335.40.00	HIGHWAY USER REVENUES	\$ 238,015.17	\$ 225,000.00
10.700.344.30.00	SANITATION-REFUSE FEES	\$ 587,059.13	\$ 562,800.00
10-710-334-71-40	MDOT-NEW CONNECTING BIKEPATHS GRANT	\$ -	\$ 24,400.00
10-710-347-40-10	PAVILION RENTALS	\$ 3,000.00	\$ 3,300.00
20-000-361-00-00	INVESTMENT INTEREST REVENUE	\$ 55,000.00	\$ -
TOTAL GENERAL FUND REVENUES		\$ 5,791,341.34	\$ 5,453,599.00

GENERAL FUND ANTICIPATED EXPENDITURES

ACCOUNT	DESCRIPTION	PROPOSED FY27	APPROVED FY26
10.100.411	MAYOR & COMMISSIONERS	\$ 81,282.00	\$ 98,571.00
10.200.413	ADMINISTRATION	\$ 396,418.43	\$ 461,940.00
10.300.415	FINANCE	\$ 138,994.17	\$ 139,550.00
10.400.419	PLANNING	\$ 247,266.79	\$ 252,064.00
10.410.419	BOARD OF APPEALS	\$ 5,050.00	\$ 4,450.00
10.420.419	CODE ENFORCEMENT	\$ 57,134.01	\$ 53,227.00
10.500.419	GENERAL GOVERNMENT	\$ 274,168.98	\$ 370,492.00
10.600.421	PUBLIC SAFETY	\$ 2,592,617.57	\$ 2,284,358.00
10.601.421	TRAFFIC CONTROL	\$ 8,724.28	\$ 8,518.00
10.700.431	MAINTENANCE	\$ 1,510,350.29	\$ 1,477,176.00
10.710.452	PARKS	\$ 290,500.00	\$ 115,500.00
10.750.740	DEBT SERVICE	\$ 147,494.82	\$ 147,253.00
10.790.400	ALLOCATIONS	\$ 41,340.00	\$ 40,500.00
TOTAL GENERAL FUND EXPENDITURES		\$ 5,791,341.34	\$ 5,453,599.00

TOWN OF NORTH EAST
PROPOSED BUDGET: FISCAL YEAR 2027

WATER SERVICES ENTERPRISE FUND ANTICIPATED REVENUES

ACCOUNT	DESCRIPTION	PROPOSED FY27	APPROVED FY26
50.000.331.10.20	AMERICAN RESCUE PLAN ACT 2021	\$ 186,902.00	\$ -
50.000.334.50.10	MDE WATER QUALITY GRANTS	\$ -	\$ -
50.000.334.50.20	MDE WATER QUALITY LOANS	\$ -	\$ -
50.000.334.50.30	EPA GRANT	\$ -	\$ -
50.000.340.10.00	WATER SERVICE CHARGES	\$ 3,920,798.00	\$ 3,806,600.00
50.000.340.10.25	CHARGES FOR SERVICES-BULK SALES-BILLED	\$ 23,000.00	\$ 23,000.00
50.000.340.20.00	READY TO SERVE FEE	\$ 30,000.00	\$ 48,000.00
50.000.340.70.05	PENALTIES-RETURNED CHECK FEE	\$ 2,500.00	\$ 2,500.00
50.000.340.70.10	PENALTIES-SECOND NOTICE FEE	\$ 50,000.00	\$ 50,000.00
50.000.340.70.20	PENALTIES-SHUT OFF FEE	\$ 4,000.00	\$ 4,000.00
50.000.340.70.30	PENALTIES-PULL METER FEE	\$ 1,000.00	\$ 1,000.00
50.000.355.10.10	CONNECTION FEES	\$ 119,310.00	\$ 209,050.00
50.000.361.00.00	INVESTMENT REVENUE	\$ 156,918.00	\$ 165,000.00
50.000.369.00.00	MISCELLANEOUS	\$ 40,000.00	\$ 40,300.00
50.000.397.00.00	CAPITAL CONTRIBUTIONS	\$ -	\$ 430,440.00
50.000.399.00.00	FUND BALANCE RESOURCES	\$ 381,485.50	\$ (359,400.00)
51.000.355.10.20	MAJOR FACILITY FEES	\$ 173,225.00	\$ 303,400.00
51.000.361.10.05	INVESTMENT EARNINGS - MAJOR FACILITIES	\$ 56,000.00	\$ 56,000.00

TOTAL WATER SERVICE ENTERPRISE FUND EXPENSES	5,145,138.50	4,779,890.00
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WATER FUND ANTICIPATED EXPENDITURES

ACCOUNT	DESCRIPTION	PROPOSED FY27	APPROVED FY26
50.800.432	WATER ADMINISTRATION	\$ 2,811,447.36	\$ 1,709,667.00
50.800.432.80	DEBT SERVICE	\$ -	\$ 697,087.00
50.850.432	WATER OPERATIONS	\$ 2,333,691.14	\$ 2,373,136.00

TOTAL WATER SERVICE ENTERPRISE FUND EXPENSES	\$ 5,145,138.50	\$ 4,779,890.00
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TOWN OF NORTH EAST
PROPOSED BUDGET: FISCAL YEAR 2027

STORM WATER MANAGEMENT ENTERPRISE FUND ANTICIPATED REVENUES

ACCOUNT	DESCRIPTION	PROPOSED FY27	APPROVED FY26
55.000.340	STORM WATER MANAGEMENT SERVICE CHARGES	\$ 202,753.00	\$ 196,848.00
55.000.369	MISCELLANEOUS	\$ -	\$ 1,700.00
55.000.397	CAPTIAL CONTRIBUTIONS	\$ -	\$ 32,480.00
TOTAL WATER SERVICE ENTERPRISE FUND REVENUES		\$ 202,753.00	\$ 231,028.00

STORM WATER MANAGEMENT ENTERPRISE EXPENDITURE APPROPRIATIONS

ACCOUNT	DESCRIPTION	PROPOSED FY27	APPROVED FY26
55.725.431	STORM WATER MANAGEMENT	\$ 202,753.00	\$ 231,028.00
TOTAL WATER SERVICE ENTERPRISE FUND EXPENSES		\$ 202,753.00	\$ 231,028.00

Town of North East Staffing Table - FY 2026-2027		
Ordinance No. 2026-05-02		
(*) PROPOSED PROMOTIONS ARE FOR BUDGET PURPOSES ONLY. ALL PROMOTIONS RECOMMENDED BY A DEPARTMENT HEAD ARE REQUIRED TO FOLLOW THE ESTABLISHED APPROVAL PROCESS OUTLINED IN THE PERSONNEL MANUAL.		
DEPARTMENTS / POSITIONS	POSITIONS(*)	
	Full-Time	Part-Time
ADMINISTRATION		
Town Administrator	1	
Assistant Town Administrator	1	
Town Clerk	1	
Grant Writer/Project Manager	1	
HR Coordinator		1
	Total	1
FINANCE		
Director of Finance	1	
Billing Specialist II	1	
Billing Specialist I	0	
Finance Associate II	1	
Finance Associate I	0	
	Total	0
PLANNING & ZONING		
Director of Planning	1	
Planning & Zoning Assistant	1	
Code Compliance Official		1
	Total	1
MAINTENANCE		
Maintenance Supervisor	1	
Maintenance I	2	
Maintenance II	2	
Maintenance III/Seasonal	0	
	Total	0
PUBLIC SAFETY		
Chief	1	
Administrative Assistant	1	
Captain	0	
Lieutenant	1	
Detective Sergeant	0	
Sergeant	2	
Corporal	2	
Master Patrolman	2	
Patrolman 1st Class	1	
Patrol Officer	4	
Uncertified - Cadet	1	
Crossing Guard		2
	Total	2
WATER		
Superintendent	1	
Administrative Assistant	1	
Chief Operator	1	
Chief Distribution System Operator	1	
Operator	0	
Operator Trainee	3	
	Total	0
	TOTAL	4