

Work Session Minutes

The meeting of the Pocomoke City Mayor and Council was held in Council Chambers on Monday, May 20, 2025. The meeting was called to order at 6:30 pm.

Present:

Mayor: Todd Nock

Council Members: R. Scott Holland, S. Tull,
Diane Downing, Brooke Cottman, C.L. Marshall

Interim City Manager: Brandy Matthews

Attorney: Andrew Illuminati

City Clerk: Melinda Stafford

Pledge of Allegiance, Prayer by Councilmember Downing and Call to Order

EMS Department Budget review

In fiscal and intergovernmental budget, revenue increased by 8% from fiscal year 23 to 24. From fiscal year 24 to 25, it increased by 42% and in 2026 increased by 46%. The main factor driving the rise in the budgeted revenue from 23 to 2023 to 26 is an increase in support funds from Worcester County attributed to a rise in EMS service call. The support funds for Worcester County are based off on the number of service calls out of town and in town. The city will be using 342,000 for ARPA funds which was allocated for the purchase of a new ambulance which is already in production.

The next revenue is insurance claims and memberships. Charges for service and revenue increased by 2% from fiscal year 23 to 24 and 6% from 24 to 25. Projected increase of 22% of charges for service and revenue expected in 26 with the main factor driving the rise in changes for service are the collection of insurance claims attributed to rise in EMS service calls. The total revenue for fiscal year 26 is anticipated to increase by approximately 37%. which is mainly attributed to the enhanced support funds from Worcester County ARPA funding and a rise in insurance claims.

The expenses for payroll costs in fiscal year 24, 25 and 26 budget payroll costs rose by 5%, 28% and 19% respectively. The growth in payroll costs is primarily due to an increase in staffing to handle the increased call volume in Pocomoke and surrounding Somerset County towns and each year those service calls are going up. Council asked a question pertaining to the increase in salaries. The response from the Finance Director is that in 23-24 is that EMS did not have as many EMTs and paramedics as they do now. There are eight EMTs and nine paramedics, that's full time, that is not including your part time employees. With the increase in overtime and overtime is associated with breakdown that staffing being now it is anticipated if they are back up to full capacity, full employment, that overtime will decrease and they will utilize their part timers more than what they are now. So those numbers right now that's just anticipated. Part timers that are currently on staff, need to work at least 400 hours a year. It is very crucial that EMS cuts down on the overtime.

Our benefits for EMS have an increase of 9% from 23 to 24 and then there's also increase from 24 to 25 of 14%, but there's a decrease of 18%. is attributed to one, our workers compensation has gone down drastically and that is because we have been very good about not having any accidents, not having any type of injuries. Then the other thing is hospitalization, which is actually our health coverage. A lot of our EMTs and EMS, they do not utilize the city services for health insurance. This is attributed to one, our workers compensation has gone down drastically and that is because we have been very good about not having any accidents, not having any type of injuries. Then the other thing is hospitalization, which is actually our health coverage. A lot of our EMTs and EMS, they do not utilize the city services for health insurance. EMS uses approximately 9%. They're about 9% of the health insurance.

Their operating expenses over the year has increased 2% from 23 to 24, 6% from 24 to 25 and also there's an anticipated increase of 22% for fiscal year 26 that is attributed to medical claim aid. That

medical claim aid is based off of 9% of total revenue of whatever is collected. This add up to \$6750 based off of 9% of medical claim aid insurance claims. There is also an increase in utilities and maintenance that should decrease with the new ambulance. The city has budgeted for increased training and this is based on if just like with the police department, put people through the academy, based off of if two people. They would have to sign a contract if we would pay for their school, for their tuition and books to recoup monies spent. For capital outlay, they're requesting this year a new ambulance, which is already. It's already been started to replace two of the garage bay doors. The current bay doors are actually malfunctioning. Replace two new heart monitors and to make upgrades to the back ambulance building. There is a condensation issue back there in that building. Total cost of capital outlay requested is \$472,200.

General fund

City taxes, permits, real estate and personal property taxes are anticipated to increase by 4%. This increase in 26 is based off of the US not increasing tax rates and the information that we receive from the state of Maryland. Real estate and personal property taxes are projected to increase by 4%. With the increase of businesses coming in, that income has steadily come in for the city as well. Local income taxes and admission/amusement taxes are projected to increase by 13%. Licenses and permits revenue is projected to increase by 7%. Intergovernmental revenue is projected to increase by 7%. Investment earnings are projected to decrease by 15%. Ms. Matthew can only estimate rental registration based off what has been actually received thus far. Ordinary business is very hard to estimate because that number is based off of the inventory of the business. Deferred taxes has to do with revenue that is received after 60 days, after June 30th it actually goes to the next fiscal year. There's an adjustment that is made during the tax when they do the audit that makes that adjustment. There are other decreases in the revenue like disallowed taxes and enterprise and credits that is based off of actual so far from Worcester County what they have collected for Pocomoke City. Intergovernmental revenue is projected to increase by 7%, Investment earnings are projected to decrease by 15%. Notable items business tax revenue is projected to remain steady. Room tax revenue shows a small decrease due to hotel renovations. Log cabin rental revenue has increased significantly due to higher usage. The log cabin is not under historical status so that would not bother any repairs that need to be made.

Legislative expenses are a combination legislative, city manager, mayor and elections. Legislative expenses are anticipated to increase by 49% in fiscal year 26 primarily due to budgeted increases and expenses such as travel, conferences, dues on the website update. There is a local company from Berlin that will have 24-hour services an authorized user could send them the email and say hey, we need a graphic updated. Melinda, Brandy, and Kara, will no longer have to even go in and update stuff on the website. Next is the executive, it's the city manager. The city manager, those expenses is anticipated to increase the fiscal year of 26, while finding a new qualified manager. The Mayor asked a question if the deputy city manager's position be on here or did that get loan someplace else. The response was should be moved over with an announcement forthcoming. Election costs are budgeted for FY 2026. There questions about MML and NLC membership dues and which elected officials should be included. Council requested clarification on what expenses are covered under the NLC membership.

Finance Department

Ms. Matthews presented the proposed Finance Department budget for FY 2025-2026. The expenses are projected to increase by 26%, primarily due to staffing changes, increased single audit costs, and payroll processing costs. The Deputy City Manager position will be reallocated from this budget to the Legislative budget.

General Services

Ms. Matthews presented the proposed General Services budget for FY 2025-2026. Expenses are projected to increase by 35%, primarily for building repairs and maintenance. Primarily in the front, HVAC, the upstairs bathroom, and council chambers, in general. The Finance office has capital outlay for FY25 for upgrades to the bathroom area. Data processing support costs have increased significantly due to catch-up billing from Tyler Technologies. It was noted for three years that the city had not been billed for our services, for our program in itself.

Police Department

Ms. Matthews presented the proposed Police Department budget for FY 2025-2026. Overall expenses are projected to remain relatively constant from FY 2025 to FY 2026. Police officer costs are projected to increase by 4% in FY 2026 and these salaries are based on if they are at full max staffing. There was a 33% increase in fiscal year 24 to 25. Mainly due to a paid rate increase middle of the year of fiscal year 25. The city actually receives revenue from Red Speed cameras and it is easier to separate those expenses in a separate line item versus trying to combine them with like equipment repairs and vehicle repairs. That's what it was originally intended for however, the ordinance could be changed to say specifically capital expenditures for Park Police Department and Park Street City and sidewalks. It could be where it's a 50, 50 split. K-9 unit costs are increasing due to adding a second K-9 officer.

Fire Department

There is a decrease in the Fire Department budget. Last year we actually contributed more to them than what we would normally do. That was because the city helped replace the Cascade and also the hoses for the fire department. That unrestricted decrease in the fire department as well, and that is based on that is a restricted grant that the city passes through to the fire department from Worcester County.

Council asked who owns the white building across from City Hall and what is being done with it. Another question was asked if Pocomoke EMS is just backing up Somerset EMS because it forces us to raise our pay. Have they brought any more money to the table is the next question and the answer is no. Right now, our EMS, while everything is going on, is still having to respond in Somerset County. Deeper into Somerset County. That's not right to the citizens of Pocomoke City. That means your county just pulled 2.7 million and we're only getting 35,000.

Public Works budget

Ms. Matthews presented the proposed Public Works budget for FY 2025-2026. General Public Works expenses are projected to increase by 13%, primarily for the construction of the new Public Works building and to outfit the building. The expenses increased the budgeted expenses increased by 256%, but that was due to capital outlay, which is where we replaced the F150s. Street Sanitation expenses are projected to decrease by 36% due to no capital outlay budgeted. Waste Collection expenses are projected to decrease by 20% due to staff reallocation. The city has a new trash truck, and we have a newer trash truck, which makes three at this point. Ground maintenance is anticipated to decrease by 11%, and that's because there's no capital outlay again for fiscal year 2026. Streets and Highways expenses are projected to increase by 61% for street and sidewalk repairs. The anticipation is \$500,000 budgeted for street paving, with a goal of paving 8-10 streets per year. Next department is our mechanical and auto department, and it is expected to decrease by 18%. It's because there's no capital outlay that has been allocated for this budget here and that around the city as well. A comment was raised that why do we continue to pay someone's salary to do mechanic work and we outsource everything. Older vehicle certification work on, like, EMS vehicles. The new vehicles must be cannot be serviced by the city mechanic due to vehicle warranties.

Smaller entities such as the public golf course, log cabin, Railroad station, and the parks. The log cabin is expected to have a 30% increase in expenses, but this is due to clean cleaning costs, which have. That are due to the higher usage right now. It's easier to have someone clean the log cabin once we can do a deep cleaning to keep up with the building itself. There was a question of how many years are left in the golf course contract. Need to report back.

Park expenses are slated to decrease by 5% from last year. Last year's department expenses actually increased and it was because it was budgeted for the lighting upgrades which have already taken place. It was a was fully reimbursed by grant last year.

Planning and zoning department

The expenses are expected to increase by 34%. Those increases are anticipated based off of building permits, building permit plans reviewed by first state inspection and costs associated with new business incentive rebates. In prior fiscal years, the first state inspection plan reviews and permits were actually netted against revenue. Now that number is just an estimate because you can't really tell who is going to build what, zoning, what, plumbing and electric permits.

Code enforcement department

Last year they had 100% increase because they were in their own specific building. Also, had the demolishment of the armory, which is included. It actually decreases into next year budget by 85%. Now, while we're not expecting any demolition costs, there are still homes and buildings that are still up there that are possibly we will have to demolish. There is a new HVAC system, maintenance needs to kept up on the building. She believes there's a 15-year warranty on it.

Grant Writer, Economic Development Coordinator and Events Coordinator.

It is anticipated, if it is needed in fiscal year 26 that we are budgeting for a at least a part-time grant writer. In fiscal year 23-24 it was actually budgeted as the actual grant writer. This year it's considered economic development coordinator. The expenses are increased by 223%, based off of the grants. Grant expenditures, which are 100% reimbursable grants. That's what that increase is for and then next we have our events and promotion coordinator. There's a decrease of 28% because our events coordinator is now part-time. It is stated that Ms. Susan Redding is doing a great job and great to see her in her element.

Payroll Costs and Insurance

Ms. Matthews states that this is actually health insurance, pension, workman's compensation and other insurances like vehicle and liability. Payroll costs in fiscal year 26 is anticipated to increase by 37% primarily due to the city's increased employer contribution to Maryland State retirement this year. Maryland State retirement increased greatly and it is based off of the number of employees by that April of the fiscal year that we're currently in is based off of their salary. There's no change in the workman's compensation. She reminds the council that workman's compensation has actually decreased greatly each year. Then our total insurance is anticipated to increase over 13% in fiscal year 26 due to the proper allocation of the health insurance over the funds over the general fund EMS and also wastewater. There was a question from Council about the possible rise in hospital insurance. Ms. Matthews explains that the insurance comes from what the estimated cost is possibly for this current fiscal. For the next fiscal year, it is about 79% of the projected cost and it's really based off of claims.

Donations

Donations in fiscal year 24 decreased by 78% and that was just due to limitations in funding. Then fiscal year 25 increased by 750%. That is mainly due to Pocomoke City contributing more to nonprofits and entities.

Water and Wastewater budget

Ms. Matthews presented the proposed Water and Wastewater budget for FY 2025-2026. Total revenue is projected to increase by 11%, primarily due to grant funds for CIPP Phase 2 and increased revenue from sewage haulers. Payroll costs are increasing due to adding a 5th employee, with plans to add 1-2 more to reduce overtime. There are five people at the wastewater treatment plant now. Eventually the idea is to be able to rotate them to the point where just like if you were working a normal job, really, you should get to the point where somebody is off Monday, Tuesday, and they work Wednesday, Thursday, Friday, Saturday, Sunday, and then another group is off. So that would cut down on the overtime. Operating expenses are projected to increase by 14%, primarily for well rehabilitation and increased testing costs. Payroll cost and Benefits increased by 2% in fiscal year 24, but it decreased by 21% in 25. A 78% increase in contingency funds is budgeted for unexpected repairs. Capital outlay includes remaining water meter installations and possible facility upgrades. There are some meters that still need to be placed in. There's about \$55,000 left that we have set aside for water meters. Then there is 25,000 is for possible needed upgrades like the buildings out there at that wastewater treatment plant itself.

Motion to adjourn at 8:18 pm by Councilman Holland, seconded by Councilwoman Downing

Approved: _____

City Clerk

Agenda items may or may not be considered in sequence. This agenda is subject to change to include the addition or deletion of items, including executive/closed session.