

## Work Session Minutes

The meeting of the Pocomoke City Mayor and Council was held in Council Chambers on Thursday March 19, 2026 meeting was called to order at 6:35 pm.

### Present:

Council Members: C.L. Marshall via zoom, R. Scott Holland,  
B. Cottman, S. Tull, D. Downing  
City Manager: Brandy Matthews  
Attorney: Andrew Illuminati

### Pledge of Allegiance, Prayer, Call to Order

### Approval of Bill List

The bill list was presented for payment. Motion to approve by Councilwoman Cottman, seconded by Councilwoman Tull. Motion passes. Marshall, Holland aye, Downing – aye, Cottman – aye, Tull aye.

### Adjourn to Closed Session

Motion to adjourn to closed session at 6:39 pm by Councilman Holland, seconded by Councilwoman Cottman.

Motion to recess at 7:03pm by Councilman Holland, seconded by Councilwoman Cottman, Tull-aye, Downing-aye. Councilman Marshall did not return from recess.

### FY 2027 Budget – Tax Rates

City Manager Matthews presented tax rate options for both owner-occupied and non-owner-occupied properties. For owner-occupied properties, maintaining the current tax rate of 0.9375 would generate an additional \$81,956 in revenue due to increased assessable base from new construction and property sales. The alternative would be reducing the rate to 0.8896 to maintain the same revenue level as the previous year. It was noted that new construction is occurring, including the Amber Ridge 3 development and Cedar Run, which will contribute to the tax base.

Matthews advised budget presentation is earlier than in previous years, and Worcester County's tax rate decisions were not yet available. For non-owner-occupied properties (which includes rentals, second homes, and commercial businesses), City Manager Matthews recommended maintaining the current rate of 1.13, as the potential revenue increase would only be approximately \$18,000.

Emphasizes was placed on that real estate taxes comprise approximately 65% of the City's total municipal revenue, making tax policy decisions particularly significant for the city's financial stability. She noted that Pocomoke City has historically maintained higher tax rates than other incorporated towns in the area, including Ocean City, due to having fewer alternative revenue sources. The Council reached consensus to maintain both tax rates at their current levels rather than reducing them.

## FY 2027 Budget – Tax Abatements

City Manager Matthews presented the annual list of tax abatements, which includes properties that do not receive full city services or have special agreements. The list included:

- Blackwater Road properties on Blackwater Road, Ocean Highway, and Taylor Avenue, which don't receive all city services but are part of Pocomoke City
- Cypress property located on a street extension, which was given tax-free status until development occurs as part of an annexation agreement
- Properties numbered 3, 4, and 5 on the list
- Byrd Road, Jenkins Orchard, and Atkins Farm properties that run along the shoreline to the YMCA
- Unionville Road property that was annexed for a new well but not purchased by the city

Discussion focused particularly on properties 3, 4, and 5 on the list with Council members arguing that these businesses use city services including ambulance, fire, and police services, and therefore should be part of the tax base. This was especially relevant given ongoing discussions about public safety costs to the city. The Council reached consensus to remove properties 3, 4, and 5 from the tax abatement list, requiring these businesses to pay full property taxes since they utilize city services.

Motion to adjourn at 7:21pm by Councilman Holland, seconded by Councilwoman Cottman, Tull – aye, Downing- aye.

Approved by City Manager: Brian R. Matthews, MBA

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