Work Session Meeting Minutes

The meeting of the Pocomoke City Mayor and Council was held in Council Chambers on Monday, May 28, 2026. The meeting was called to order at 5:39 pm.

Present:
Mayor: Todd J. Nock
Council Members: M. Hall, S. Tull, B. Cottman
City Manager: Brandy Matthews

CALL TO ORDER AND OPENING PROCEDURES

The Mayor and City Council Work Session was called to order at 5:39 PM on Thursday, May 28, 2026. The meeting began with an apology for tardiness. Councilmember Hall motioned to go into special session seconded by Councilmember Cottman. Councilmember Hall - aye, Councilmember Tull - aye, Councilmember Cottman - aye.

BUDGET PRESENTATION AND REVIEW

City Manager Matthews presented updated budget reports from the previous meeting dated May 7, 2026, covering multiple city funds and departments. The presentation included detailed information for the following for FY 2027 proposed budget; personnel adjustments, equipment purchases, and operational expenses across various departments.

AMBULANCE FUND

City Manager Matthews reported most notable change from the May 7, 2026 version were as follows:

- Financing the second ambulance in order to save of operational cash flow. A proposal from KS State Bank was presented for review noting the terms as 20 quarterly payments in the amount of
- $24,797.52 over 5 years with a tax exempt rate of 5.83%.

Salary adjustments to include COLA and Step Increase.

Mayor Nock indicated support for the financing approach but emphasized procedural requirements, stating, "the need for financing to go before the Mayor and Council in a public session for us to vote on it." It may require a resolution, it might not. City Manager Matthews indicated she would email the City Attorney to confirm, and have it as an agenda item on Monday's agenda.

The Mayor commented positively on the EMS budget structure, saying, "I think our EMS is pretty cut and dry, to be honest. Last year we did really good work by creating the step scale, so that we wouldn't have to continue to visit, salaries. We could just keep the pay scale." The mayor expressed hope that all city departments would adopt similar salary scales, stating it would be more productive than individual salary requests.

WATER AND WASTEWATER FUND

City Manager reported that the most notable changes from the May 7, 2026 version were as follows:

- Salary adjustments to include COLA and Step Increase.
- Reduction in the contingency fund which was reallocated to the line item to repair Second Street.

City Manager Matthews stated before paving could began on Second Street the water and sewer pipes would need to be repaired first.

GENERAL FUND

City Manager Matthews detailed multiple changes to the general fund. She began with the following revenue items:

- DNR grant in the amount of $150,000 was included for the dock feasibility study, which would be offset by a expense.

- Economic development funding received by the County increased by $2,153. The approved amount should have been $797,150, which was approved by the County.

- The waterfall for the electric was adjusted to reflect a more accurate amount of approximately $31,000, which us based on refund received last week. Advised the amount over years have decreased tremendously.

- Increase in loan proceeds to purchase a new street sweeper in the amount of $251,000. Two proposals were presented with one being the State bid, which was not the lowest proposal. City Manager Matthews if financed through local banks it would require a Resolution, recorded in the minutes, and notation of the authorized signors. Justification for a new sweeper was warranted due to street improvements taking place.

- Notable general fund expense changes from May 7, 2026 are as follows:

- Addition of an administrative assist was budgeted. Mayor Nock asked for clarification if the hiring of the administrative assistant was for the Office of the City Manager? City Manager Matthews confirmed yes.

- Salaries throughout the various departments were increased for 3% COLA and 3% increase for employees.

LEGISLATIVE BUDGET AND TRAVEL STIPEND DISCUSSION

Council Member Hall questioned the travel budget listed under the Legislative Department and asked for clarification regarding what expenses were included.

Ms. Matthews explained that the travel stipend has historically been provided for the Mayor and Council to cover travel-related expenses associated with attending events, public functions, and other activities where they are representing the City. She explained that the stipend serves as reimbursement for those activities rather than requiring individual mileage reimbursement requests.

Council Member Hall asked if the stipend was intended to cover local travel expenses that otherwise would be submitted to the City for reimbursement, such as attending events in Salisbury or other nearby locations. He noted that travel outside the local area would be handled under a separate policy and procedure.

Council Member Hall expressed concern regarding the amount budgeted for the stipend, stating that he was having difficulty understanding the annual cost. He noted that he understood mileage reimbursement was available but questioned whether the stipend amount was appropriate.

Ms. Matthews explained that the stipend is intended to provide a consistent reimbursement method and could potentially cost the City less than paying mileage reimbursement for each individual trip. She noted that the current mileage reimbursement rate is approximately $0.70 per mile and explained that frequent travel to events, meetings, or activities outside of the City could add up over time. She stated that the stipend provides a predictable expense rather than potentially higher mileage reimbursements.

Council Member Hall continued to express concern regarding the annual amount of the stipend and stated that he personally did not feel he would incur that level of travel expenses.
The Mayor explained that the stipend may vary in value depending on how actively each elected official participates in community events and regional activities. He acknowledged that some officials may not utilize the stipend as much as others but noted that some elected officials do attend numerous events and functions representing the City.

Council Member Hall stated that he understood the stipend had been established before the current Council and that it had been increased the previous year. He questioned whether the current amount was appropriate while acknowledging that the existence of a stipend was common among municipalities. The Mayor clarified that Council Member Hall's concern was not with having a stipend but rather with the amount allocated.

Council Member Hall questioned the amount budgeted for conference travel and compared it to the annual compensation received by elected officials. He expressed concern regarding the overall cost to taxpayers and stated that he believed it was a difference of perspective regarding the appropriate use of funds. The Mayor explained that the conference and convention budget is intended to provide flexibility because not every elected official attends every available conference. He noted that unused funds remain in the General Fund and that attendance varies based on individual availability and interest.

Ms. Matthews explained that the budget was developed as a "just in case" amount to ensure sufficient funding was available if multiple elected officials chose to attend major conferences. She explained that the budget included potential attendance at events such as the Fall Maryland Municipal League Conference, the National League of Cities Conference, and the summer Maryland Municipal League Conference.

Ms. Matthews stated that the goal was to avoid under-budgeting and then having to deny attendance opportunities due to insufficient funds. She explained that budgeting for the potential maximum expense provides flexibility while still allowing unused funds to remain available for other purposes.

Council Member Hall reiterated that his concern was based on the overall dollar amount and the impact on taxpayers. He thanked Ms. Matthews for the explanation and acknowledged the reasoning behind the budgeting approach. Ms. Matthews explained that budget amendments can be completed during the fiscal year if funds are not utilized. She stated that if, after several months, it is determined that certain funds will not be needed, the City can reallocate those funds through the budget amendment process to more accurately align the budget with actual expenses.

Ms. Matthews also clarified that during her budget presentation, she focused primarily on items that changed from the previous budget. She explained that many line items remained unchanged and were therefore not highlighted, allowing Council members to easily identify areas where adjustments were proposed.

PUBLIC WORKS DEPARTMENT BUDGET

Ms. Matthews reviewed changes within the Public Works Department budget structure. She explained that several departmental increases and decreases were the result of reallocating employees to the departments where they are currently assigned.

She explained that the Waste Collection Department was originally budgeted with five employees; however, there are currently four employees assigned to that department. Conversely, Underground Maintenance reflects an increase because there are currently three employees assigned to that department instead of four.

Ms. Matthews further explained that similar adjustments were made throughout Public Works, including Ground Maintenance, Streets and Highways, and other divisions. She stated that the staffing changes occurred during the prior year after the original budget had already been completed, and the current budget reflects where employees are actually assigned. She noted that the salary increases and decreases shown throughout the Public Works budget are primarily the result of these departmental adjustments.

CHRISTMAS DECORATIONS

Ms. Matthews noted an increase in the Christmas Decorations budget. She explained that the City's new Events and Engagement Coordinator reviewed existing decorations and determined that many of the City's decorations are more than 20 years old and in need of replacement or upgrades. Ms. Matthews stated that the Christmas lighting budget was increased by $15,000 to assist with updating the City's holiday decorations. She also reiterated that any notable salary changes reflected in the budget are due to the difference between the 3% cost-of-living increase and the 3% step increase.

PARKS AND RECREATION BUDGET

Ms. Matthews reviewed changes within the Parks and Recreation budget. She explained that the Fair Expenditures line item was increased by $10,000 to assist with costs associated with rides and attractions for the Great Pocomoke Fair.

She further explained that discussions are underway regarding moving National Night Out from Cypress Park to the fairgrounds on the Tuesday of the fair. The goal of the potential move would be to increase attendance and participation by combining activities in one location rather than dividing community participation between multiple events.

The Mayor discussed the City's relationship with the Great Pocomoke Fair. She stated that although the Fair Board operates the event, she considers the fair to be a City event and believes the City should have a greater level of involvement. She noted that increased involvement should also include accountability and transparency regarding expenses and funding requests.
The Mayor stated that while the City should support the fair, there should be clear expectations regarding financial responsibility and documentation of expenses before additional funding is provided.

ECONOMIC DEVELOPMENT BUDGET

Ms. Matthews discussed moving the $10,000 food bank allocation from the City's grant budget into the Economic Development budget. She explained that Della's Closet partners with the City to provide food distribution services to the community and stated that this type of ongoing community support should be budgeted as a City initiative rather than requiring an annual request through the grant process.

DEBT SERVICE

Ms. Matthews explained the debt service impact associated with financing the purchase of a new street sweeper. She stated that the estimated cost of the equipment is $251,000 and that the annual loan payment would be approximately $50,000 per year for five years.

TRANSFERS

Ms. Matthews explained that the transfer from the General Fund to the EMS Fund decreased due to the financing of the additional ambulance.

DISCUSSION OF CODE ENFORCEMENT REVENUE AND FEES

The Mayor discussed the importance of reviewing departmental revenues, fees, and fines. She stated that Code Enforcement should generate revenue to help offset personnel costs and that Planning and Zoning should also contribute toward covering related departmental expenses. The Mayor emphasized the importance of reviewing fees and fines during the next budget cycle. She stated that while the City does not want to create unnecessary financial hardship for residents, property owners who maintain their properties and comply with regulations should not be impacted by enforcement-related costs. She encouraged staff to conduct a comprehensive review of fees and fines during the next budget process.

DISCUSSION OF ECONOMIC DEVELOPMENT AND TAX REDUCTION STRATEGY

The Mayor discussed economic development opportunities and the importance of maintaining a balance between attracting development and reducing the tax burden on residents.
She stated that the City's goal should be to reduce property taxes while continuing to maintain necessary services. She noted that increasing the tax base through responsible development is a key component of achieving future tax reductions.

The Mayor emphasized the importance of being open to new businesses, working with developers, and ensuring the City has the necessary infrastructure to support growth. She stated that City employees play a critical role in economic development efforts and that the organization must have the staffing, resources, and systems necessary to support growth. The Mayor commended Public Works leadership for actively identifying infrastructure concerns and addressing issues but noted that continued improvement will require a coordinated effort across the organization. Council Member Hall agreed that increasing the tax base through additional properties and development would help support future tax reductions.

PUBLIC-PRIVATE PARTNERSHIP DISCUSSION

The Mayor introduced a discussion regarding opportunities for public-private partnerships and stated that this could be an area where Council Member Hall's experience and interest could provide value. The Mayor identified the City's solar panel agreements as an area requiring further review. A discussion followed regarding whether existing contracts were available and whether the City should evaluate opportunities to modify or restructure those agreements. Council Member Hall questioned whether the solar panel property could potentially be sold and returned to the tax base.

The Mayor clarified that public-private partnerships involve collaboration with private businesses and require careful planning and long-term oversight. She noted that previous partnerships may not have included sufficient oversight, which contributed to challenges the City is currently facing. Council Member Hall expressed the opinion that the City should evaluate opportunities to reduce involvement in certain ventures, monetize assets where possible, and increase taxable property within the City. The Mayor agreed that the solar panel agreements should be reviewed and that the discussion was important because many residents may not understand the details of these agreements.

SOLAR PANEL CONTRACT DISCUSSION

The Council discussed the City's solar panel agreements, including ownership, payments, and contractual obligations. The Mayor noted that ownership of the solar facilities has changed multiple times and stated that determining the current ownership and contractual obligations has been challenging. Ms. Matthews explained that payments are currently issued to Licare, although documentation references other entities, including Sun E Solar LLC and Terraform.

Council Member Hall questioned the payment arrangement and suggested that the City should fully understand the contractual requirements before continuing payments. Ms. Matthews explained that the City receives monthly net generation payments, which vary based on production. She stated that payments have generally ranged between approximately $18,000 and $25,000 per month.

Council Member Hall expressed surprise regarding the amount of revenue generated and questioned where the payments were reflected in the budget. Ms. Matthews explained that the solar revenue assists with offsetting costs associated with the wastewater treatment plant, including significant electric expenses. She noted that wastewater treatment costs remain substantial, with electricity expenses being a major component. Council Member Hall stated that the revenue generated from the solar agreements could potentially provide opportunities for reducing taxes. He calculated that reducing expenses by approximately $37,000 could represent a one-cent reduction in the tax rate and suggested that additional savings could have a meaningful impact on taxpayers. Council Member Hall recommended reviewing the agreements and exploring opportunities to increase revenue or renegotiate terms. The Mayor agreed that the discussion was productive and emphasized the importance of locating and reviewing the existing contracts.

TAX REDUCTION AND ECONOMIC DEVELOPMENT STRATEGY

Council Member Hall discussed the importance of reducing the tax rate as a method of attracting new residents and businesses. He stated that lowering taxes could make Pocomoke more competitive with surrounding municipalities. He explained that increasing population and encouraging people to live and spend money locally would strengthen the City's economy. The Mayor acknowledged the discussion and emphasized that economic development and responsible financial planning must be considered together. Council Member Hall again emphasized the importance of locating historical documentation related to the solar agreements. He referenced prior correspondence regarding ownership changes but stated that he was unsure where the documentation was currently located.

Ms. Matthews reported that staff had searched ShoreScan records but had not located the requested documentation. Council Member Hall stated that if the documentation was from prior years and was not located in ShoreScan, additional efforts would be necessary to determine where the records were maintained.

ADJOURNMENT

Councilmember Hall made a motion to adjourn seconded by Councilmember Tull. Councilmember Hall - aye, Councilmember Tull - aye, Council Member Cottman, aye. The meeting was adjourned at 6:25pm.

Approved: Brany R. Matthews MBA

City Manager