



TALBOT COUNTY, MARYLAND

County Council

MINUTES

May 6, 2025

Present – President Chuck Callahan, Vice President Pete Leshner, Lynn L. Mielke, Dave Stepp, County Manager Clay Stamp, and County Attorney, Patrick Thomas. Councilmember Keasha N. Haythe was absent.

- I. Agenda – Mr. Callahan requested and received unanimous consent for approval of the Agenda of Tuesday, May 6, 2025.
- II. Disbursements – Mr. Callahan requested and received unanimous consent for approval of the Disbursements of Tuesday, April 29, 2025 and Tuesday, May 6, 2025.
- III. Proclamation: Motorcycle Safety and Awareness Month – May 2025 – The Clerk read a proclamation into the record in recognition of May as Motorcycle Safety and Awareness Month. The proclamation spoke of the increasing use of motorcycles as an efficient and economic means of travel and the importance of awareness on the part of both vehicle operators and motorcyclists in order to reduce injuries, accidents, and deaths. Ken Eaton, Director, Mid-Shore Chapter, and Executive Director, ABATE (A Brotherhood Against Totalitarian Enactments) of Maryland, Inc., Tom Godfrey, Director, Caroline County Chapter, and Mike Mann, Caroline County representative, Caroline County Chapter, ABATE of Maryland, Inc., and Marianne Jackson, Maryland Representative, Motorcycle Riders Association were in attendance. Mr. Eaton briefed the Council on ways ABATE works with the State each year, particularly in May, to promote motorcycle safety and awareness, including requesting overhead signage on highways to remind drivers to look twice for motorcycles. Upon motion by Mr. Leshner, seconded by Mr. Stepp, the Council approved the proclamation by voting 4 – 0 as follows:

Mr. Callahan – Aye
Mr. Stepp – Aye
Mr. Leshner – Aye
Ms. Mielke – Aye

Ms. Mielke presented the Proclamation to the representatives of ABATE of Maryland, Inc. in attendance.

- IV. Proclamation: Correctional Officers and Employees Week – May 4 – 10, 2025 – The Clerk read a proclamation into the record in recognition of the professionalism, commitment and dedication exhibited by correctional officers and other employees in the Talbot County Department of Corrections to ensure the safety and security of individuals under their care. The proclamation also spoke of the officers and employees' responsibility for the operation and administration of the programs and services offered to assist those who are incarcerated with resolving the personal issues which led to their incarceration. Joe Hughes, Director, Talbot County Department of Corrections, expressed his appreciation to the Council for recognizing Department of Corrections employees and for the passage of CORS (Correctional Officers Retirement System) legislation. He then introduced several Department of Corrections employees who had recently been promoted and noted recent accomplishments of various members of his department. Council discussion ensued with Mr. Hughes. Upon motion by Mr. Leshner, seconded by Mr. Stepp, the Council approved the proclamation by voting 4 – 0 as follows:

Mr. Callahan – Aye
Mr. Stepp – Aye
Mr. Leshner – Aye
Ms. Mielke – Aye

Mr. Stepp presented the Proclamation to Director Hughes and representatives of the Department of Corrections in attendance.

- V. Presentation of 2025 Priority Listing to Maryland Department of Transportation – Ray Clarke, County Engineer; Ken Jacoby, Assistant County Engineer/Roads Engineer – Mr. Clarke introduced Ken Jacoby, new Assistant County Engineer for Talbot County and stated that Mr. Jacoby retired from the Federal Highway Administration. Mr. Clarke stated that each year, the County is requested to forward to the Maryland Department of Transportation a priority listing identifying State roads in Talbot County on which the County would like to see improvements made. He then outlined the projects included on the listing, by priority, as follows: MD Route 322/US 50 Intersection – North; MD Route 33 Capacity, Safety and Evacuation Improvements; MD Route 329 (Royal Oak Road) Safety Improvements; MD Route 333, Oxford Causeway; US Route 50/MD Route 329 – Goldsborough Street Intersection Improvements; MD Route 50/MD Route 331 – Dover Street Intersection Improvements; US Route 50/Chapel Road – Intersection Improvements; US Route 50/MD Route 309/MD Route 662 Intersection Capacity Improvements; Airport Road/MD 662/US Route 50 Intersection; Idlewild Avenue Merging into US Route 50 traffic; and Cordova Road (CO 00332) transfer to State Highway Administration (SHA). Easton Airport improvements and request for improvements to various intersections, addition of traffic signals, acceleration/deceleration lanes, etc. within the towns are also included in the priority listing. Council discussion ensued with Mr. Clarke regarding the various priorities and possible available funding for the improvements. Upon motion by Mr. Leshner, seconded by Ms. Mielke, the Council approved submitting the priority listing as outlined by voting 4 – 0 as follows:

Mr. Callahan – Aye
Mr. Stepp – Aye
Mr. Leshner – Aye
Ms. Mielke – Aye

VI. County Manager's Report:

- A. Talbot County Commission on Aging – Requested Council approval for the appointment of Grace Lyons, Community Relations Director, Candlelight Cove, as a voting member of the Commission on Aging; Ms. Lyons currently serves as an Ex-Officio member. Upon motion by Mr. Leshner, seconded by Ms. Mielke, the Council approved the appointment by voting 4 – 0 as follows:

Mr. Callahan – Aye
Mr. Stepp - Aye
Mr. Leshner – Aye
Ms. Mielke – Aye

- B. Request for Letter of Support – Requested Council approval of the request from Habitat for Humanity Choptank's Home Repair Program for a letter in support of their application for grant funding from the Maryland Affordable Housing Trust (MAHT) Plumbing Poverty Program; if approved, the funding will be utilized to assist low income homeowners with plumbing assistance, installation of wells/septic connections,

renovations of bathrooms, etc.; to date, over 300 home repairs have been made in Talbot and Dorchester counties; no County funding is required. Upon motion by Ms. Mielke, seconded by Mr. Leshner, the Council approved the request by voting 4 – 0 as follows:

Mr. Callahan – Aye
Mr. Stepp - Aye
Mr. Leshner – Aye
Ms. Mielke – Aye

- C. Request for Letter of Support – Requested Council approval of the request from the Martingham Property Owners Association, Inc. for a letter in support of their application to the National Fish and Wildlife Foundation (NFWF) for grant funding through the Chesapeake Small Watershed Grant Program; if approved, the funding will be utilized by the Property Owners Association for flood mitigation and a stormwater management project; no County funds are required. Upon motion by Mr. Leshner, seconded by Ms. Mielke, the Council approved the request by voting 4 – 0 as follows:

Mr. Callahan – Aye
Mr. Stepp - Aye
Mr. Leshner – Aye
Ms. Mielke – Aye

- D. Request from Department of Emergency Services – Requested Council approval of the recommendation of the Director of Emergency Services to utilize FY25 budgeted funds in the sum of \$122,685.80 to purchase two emergency power generators and transfer switches for the Talbot County Safety Complex; said funding will supplement Maryland 911 Board funding in the sum of \$490,743.20; the purchase will be made by piggybacking on a Sourcewell contract through Kelly Generator and Equipment; the total cost of the project is \$613,429.00. Upon motion by Mr. Leshner, seconded by Ms. Mielke, the Council approved the recommendation by voting 4 - 0 as follows:

Mr. Callahan – Aye
Mr. Stepp - Aye
Mr. Leshner – Aye
Ms. Mielke – Aye

- E. Bid No. 23-12, SEPTIC TANK EFFLUENT PUMP (STEP) SYSTEM EQUIPMENT – PURCHASE ONLY - Requested Council approval of the County Engineer's request to purchase the remaining 260 of the 300 Orenco septic tank effluent pumps approved by Council for purchase under Bid No. 23-12; cost of the 260 pumps is \$1,804,400; the purchase of a total of 300 pumps was approved by Council on November 14, 2023. Council discussion ensued with Ray Clarke, County Engineer. Upon motion by Mr. Leshner, seconded by Mr. Stepp, the Council approved the purchase by voting 4 – 0 as follows:

Mr. Callahan – Aye
Mr. Stepp - Aye
Mr. Leshner – Aye
Ms. Mielke – Aye

- F. Bid No. 23-11, EXTENSION OF SEWER FROM THE REGION II (ST. MICHAELS) WASTEWATER TREATMENT PLANT, TO THE MOUNT PLEASANT AREAS, UNDER BROAD CREEK AND TO THE VILLAGES OF BOZMAN AND NEAVITT, AS OUTLINED IN RESOLUTION NO. 250 – (PHASE C) – Requested Council approval of the County Engineer’s recommendation to award Change Order Nos. 1 through 7 for Bid No. 23-11 to contractor Spring & Associates in the sum of \$114,845; said cost will be paid for by the State of Maryland Revolving Loan Fund and will increase the total contract price to \$1,755,595; Council discussion ensued with County Engineer, Ray Clarke. Upon motion by Mr. Stepp, seconded by Mr. Leshar, the Council approved the Change Orders as outlined by voting 4 – 0 as follows:

Mr. Callahan - Aye

Mr. Stepp - Aye

Mr. Leshar – Aye

Ms. Mielke – Aye

VII. Public Hearing:

Prior to the public hearing on the CONSTANT YIELD, as required by State law, Vice President, Pete Leshar, read the following statement into the record:

The County Council, in the Fiscal Year 2026 proposed budget, is proposing to adopt a real property tax rate of 79.26 cents per \$100 of assessed valuation for all properties located outside the incorporated towns. This does not include an additional educational supplement and is 0.16 cents higher than the current Real Property Tax rate. This rate is 3.3 percent higher than the Constant Yield rate of 76.70 cents and will generate \$1,428,322 more in property tax revenues in Fiscal Year 26 from the unincorporated area of the county. Properties located within the incorporated towns will again be granted a tax rate differential, which remains unchanged from the prior year and sets their Real Property Tax rates between 6.01 and 13.3 cents lower than the County rate. The County Council will not adopt the Fiscal Year 2026 tax rate today. The Fiscal Year 2026 tax rate will be adopted as part of the Fiscal Year 2025 to 2026 annual budget and appropriate ordinance, currently scheduled for adoption on Tuesday, May 27, 2025.

Bill No. 1585, AN ACT TO ESTABLISH THE 2025 – 2026 ANNUAL BUDGET AND APPROPRIATION ORDINANCE, was read into the record by the Clerk and brought forward for public hearing. Prior to the public hearing, County Manager, Clay Stamp briefed the Council on the strategy for developing the FY26 Budget while being cognizant of shifting fiscal policy changes at the federal and State levels, including the freezing or elimination of grant funding by the Federal Government, and the shifting of costs by the State to local jurisdictions, including 50% of teachers’ pensions. Mr. Stamp also noted the continued escalation of the costs of materials and the competition for talent. He stated that Talbot County continues its long history of conservative budgeting while still addressing priority issues including public safety and education, resulting in an escalating budget over the past few years. He stated that, with Council’s concurrence, the decision was made to try to flatten out the budget by reducing funding for capital improvement projects and concentrating on completing projects currently underway and implementing reserve fund policies and working to increase the Reserve Fund balance to help prepare for fiscal uncertainties, resulting in a proposed budget that is less than last year’s budget. Mr. Stamp concluded his presentation by stating that the County continues to focus on *Personnel, Processes and Projects* by staying competitive, finding efficiencies and addressing projects. Martha Sparks, Finance Director, utilized a PowerPoint presentation to outline various facets of the proposed FY26 Budget which totals \$161,052,000.00. She stated that the budget was formulated following meetings with departments,

agencies, the County Manager, and work sessions with the County Council. She stated that the County is on track to receive revenues as had been projected and has underspent on expenditures, putting the County in a good financial position. She outlined several accomplishments during FY25 in the areas of general government services, communications, and overall government effectiveness, including, among others, instituting *Engage Talbot*, upgrades to network connectivity and IT services, computer-aided-dispatch (CAD), and capital projects including the Public Safety Complex on Marys Court which houses the Sheriff's Department and the Department of Emergency Services, the paving of main connector roads, and renovation and expansion of the St. Michaels branch of the Talbot County Free Library. She stated that the FY26 Budget incorporates the County's conservative budgeting practices by underestimating revenues and overestimating expenditures, which has helped the County retain its low Property Tax and Income Tax rates. She stated that the new reserve fund policies recently approved by the Council provided funding and risk mitigation strategies which were used in the drafting of the FY26 proposed budget by shifting projections for Income Tax, Recordation and Transfer Tax revenue to be in line with the amount anticipated to be received based on historical trends. Ms. Sparks stated that the proposed FY26 Budget prioritizes investments in infrastructure and includes Property Tax revenues of two percent (2%) over FY25 revenues as permitted in the County Charter, and an additional one cent (\$.01) to the Property Tax rate as approved by Talbot County voters in November 2020 and November 2024 which are to be used for Public Safety. Ms. Sparks stated that any increases in school funding can pass through the education supplement as provided for in the Maryland Education Article but noted that the proposed budget does not include an education supplement at the present time. She stated that the budget does not include a change to the Income Tax rate but that the State of Maryland has approved higher rates for half millionaires and millionaires and that the last time a similar change in the tax rate was implemented, the County's Income Tax revenues decreased by 40% in one year. She stated that by maintaining the County's low Income Tax rate, the County is hoping to mitigate the migration of high-income earners. Ms. Sparks stated that on the Expenditure side, the proposed FY26 Budget includes the required local funding share for Talbot County Public Schools in the sum of \$55.1 million, additional mandated funding for the Blueprint coordinator, \$260,500 for capital projects; and an increase in debt service of \$2.1 million for the Chapel District Elementary School renovation and expansion project. She stated that funding for Talbot County Public Schools represents 42.9% of the FY26 operating expenditures. Ms. Sparks stated that the FY26 proposed budget includes a 2.5% Cost of Living Adjustment (COLA) and one (1) performance-based step for County employees and that no new general government positions are included in the proposed budget. She stated that Fund Balance reserve will be used as follows: \$3.84 million for Capital Outlay (equipment) purchases; \$13.7 million for Capital Projects; and \$1.7 million for Recreation Fund Capital Projects. She stated that the State of Maryland mitigated its budget deficits by requiring local jurisdictions to assume the liability for some costs, including an additional 50% (\$176,000) of the cost of the local office of the State Department of Assessments and Taxation (SDAT), bringing Talbot County's responsibility for the local office to 90% of the cost of operation; 50% (\$440,098) for teachers' pensions which previously was 100% the responsibility of the State; and 50% (\$12,858) for Chesapeake College pensions. Ms. Sparks presented graphs depicting the various sources from which General Fund Revenues are derived as well as the various sectors of County government to which General Fund Expenditures are designated. She stated that an amendment will need to be made to the proposed budget due to mandates from the State which have been passed down to the counties beginning in FY26, including teachers' pensions and community college pensions in the sums of \$440,098 and \$12,858, respectively. She then outlined the importance of including the teachers' pensions in the Education Supplement. She stated that if the Education Supplement is not used, funding for the teachers' pensions will need to be provided by the funding utilized for general government expenditures; she also emphasized that reserve funding cannot be used for recurring expenditures. Ms. Sparks provided a history of Property Tax rates for the previous seven (7) years and provided an illustration showing an increase in Property Tax of \$4.80 for FY26 for a home assessed at \$300,000; should the Education Supplement be added, the FY26 Property Tax rate would be \$13.50. Ms. Sparks stated that Talbot County continues to have the lowest Property Tax rate in the state

and the second lowest Income Tax rate in the state. She concluded her presentation by quoting statements made by bond rating agencies, Fitch Ratings, dated August 23, 2024: *“Talbot County’s financial resilience is driven by the combination of its ‘High’ revenue control assessment and ‘High’ expenditure control assessment, culminating in an ‘Ample’ budgetary flexibility assessment.”* Fitch affirmed the ratings of the County at ‘AAA’ and Moody’s Investors Service dated September 14, 2022: *“Financially, the county is very strong and the management team is generally conservative in its budgeting.”* Final FY26 budget deliberations will take place on Tuesday, May 13, 2025, with adoption scheduled for Tuesday, May 27, 2025. Written comments should be submitted by Thursday, May 8, 2025, to publiccomment@talbotcountymd.gov.

Members of the public were then afforded an opportunity to comment on the Constant Yield and Bill No. 1585. Upon motion by Mr. Stepp, seconded by Mr. Leshner, the Council voted to recess the public hearing and continue at 7:00 p.m. at the Easton High School Cafeteria, 723 Mecklenburg Avenue in Easton by voting 4 – 0 as follows:

Mr. Callahan – Aye
Mr. Stepp – Aye
Mr. Leshner – Aye
Ms. Mielke – Aye

VIII. Public Comments: Members of the public were provided an opportunity to comment on matters of interest to them.

IX. Council Comments:

Ms. Mielke - No comments.

Mr. Leshner - No comments.

Mr. Stepp - No comments.

Mr. Callahan - No comments.

Upon motion by Mr. Stepp, seconded by Mr. Leshner the Council voted to recess and to reconvene at 7:00 p.m. in the Easton High School Cafeteria to continue the public hearing on the FY2025-2026 Budget and Appropriation Ordinance by voting 4 – 0 as follows:

Mr. Callahan – Aye
Mr. Leshner – Aye
Ms. Mielke – Aye
Ms. Haythe - Aye

The meeting recessed at 2:46 p.m.

The transcript of the Tuesday, May 6, 2025, County Council meeting is available for review in the Office of the Talbot County Manager during regular office hours.

The Council meeting reconvened at 7:00 p.m. in the Easton High School Cafeteria, 723 Mecklenburg Avenue in Easton. Bill No. 1585 was read into the record by the Clerk and brought forward for continuation of the afternoon public hearing. Prior to the public hearing, Mr. Stamp gave an overview of the FY25 proposed budget as he had done at the 2:00 p.m. public hearing. Ms.

Sparks utilized a PowerPoint presentation to provide an overview of various facets of the FY26 proposed Budget and statistical information and charts detailing County General Fund Revenue and Expenditures and proposed projects included in the Capital Projects Fund, as she had done at the 2:00 p.m. public hearing. Members of the public were afforded an opportunity to comment on the legislation. Written comments on Bill No. 1585 will be accepted until Noon on Thursday, May 8, 2025; emailed comments can be sent to publiccomments@talbotcountymd.gov. Bill No 1585 is eligible for vote on Tuesday, May 27, 2025.

X. Summary of Closed Session Held on May 6, 2025:

1. Statement of the time, place, and purpose of the closed session:

Time of closed session: 12:35 p.m. to 1:00 p.m.
 Place of closed session: County Council Office
 Purpose of the closed session: To consider various matters as set forth in the statement for closing the meeting

2. Record of the vote of each member as to closing the session:

Names of members voting aye: Callahan, Leshner, Mielke, Stepp
 Members opposed: None
 Abstaining: None
 Absent: Haythe

3. Statutory authority to close session and listing of each topic actually discussed, persons present, and each action taken in the session:

Topic Description	Statutory Authority	Reason for Closed Session Discussion	Persons Present	Action Taken
To discuss appointments to various County boards and committees	GP § 3-305(b)(1)(i)	Public discussion would discourage individuals from volunteering to serve	Chuck Callahan, Pete Leshner, Lynn Mielke, Dave Stepp, Clay Stamp, Jessica Morris, Patrick Thomas	No action
To discuss personnel matter in the County Manager's office	GP § 3-305(b)(1)(i)	Discussion involves a specific individual	Chuck Callahan, Pete Leshner, Lynn Mielke, Dave Stepp, Clay Stamp, Jessica Morris, Patrick Thomas	No action
To discuss legal services contract	GP § 3-305(b)(1)(i)	Discussion involves a specific individual	Chuck Callahan, Pete Leshner, Lynn Mielke, Dave Stepp, Clay Stamp, Jessica Morris, Patrick Thomas	General consensus to approve proposal as recommended



TALBOT COUNTY, MARYLAND
WEEKLY CASH STATEMENT
4/29/2025

OPERATING FUNDS - SHORE UNITED BANK

OPERATING FUNDS AT **4/22/2025** **\$ 13,789,226.35**

Total ADP Monthly Payroll PPE 4/30/2025	(18,729.03)
Community Center Sales & Use Tax Due 4/20/2025	(211.27)
Golf Course Sales & Use Tax Due 4/20/2025	(1,380.18)
Roads Sales & Use Tax Due 4/20/2025	(517.54)
Airport Merchant Portal Hosting 4/2025	(11.00)
Repurposing Merchant Portal Hosting 4/2025	(15.00)
Roads Merchant Portal Hosting 4/2025	(15.00)
Returned Paymentus Payments	(15,815.24)
Returned Checks #4498, #186, #189, #4447658, #1171	(2,738.34)

Deposits	883,496.23
Checks	(121,089.69)
ACH Disbursements	(472,360.59)
EFT's	(157,646.49)
Wire Transfers	(196,046.64)
Voided Check	3,219.30

OPERATING FUNDS AT **4/29/2025** **\$ 13,689,365.87**


PETTY CASH FUNDS **\$ 18,105.00**

INVESTMENT FUNDS

	<u>Yield</u>	
Maryland Local Government Investment Pool (MLGIP)	4.34%	\$ 23,162,376.25
Bayvanguard Bank	4.15%	\$ 11,140,527.94
Shore United Money Market Account	4.33%	\$ 82,220,058.98

INVESTMENT FUNDS TOTAL **\$ 116,541,068.17**

TOTAL ALL CASH AND INVESTMENTS **\$ 130,230,434.04**

		TALBOT COUNTY, MARYLAND			
		WEEKLY CASH STATEMENT			
		5/06/2025			
OPERATING FUNDS - SHORE UNITED BANK					
OPERATING FUNDS AT		4/29/2025		\$	13,689,365.87
Total ADP Payroll PPE 4/25/2025					(974,809.50)
Returned Paymentus Payments					(30,995.56)
Deposits					1,460,155.99
Checks					(148,643.56)
ACH Disbursements					(709,930.29)
EFT's					(273,538.62)
Wire Transfers					(668,209.85)
OPERATING FUNDS AT		5/6/2025		\$	12,343,394.48
PETTY CASH FUNDS				\$	18,105.00
INVESTMENT FUNDS					