

Minutes of the County Commissioners of Worcester County, Maryland

May 28, 2025

Budget Work Session

Theodore J. Elder, president
Eric J. Fiori, vice president
Caryn G. Abbott
Anthony W. Bertino, Jr.
Madison J. Bunting, Jr.
Joseph M. Mitrecic
Diana Purnell

The commissioners conducted a work session to discuss adjustments that they made May 20, 2025 to the Committee Reviewed and Recommended FY26 General Fund Operating Budget.

Ms. Reynolds summarized the May 20 budget work session adjustments of \$6,309,681. She advised that revenues total \$286,812,695, and expenditures total \$279,027,455, leaving a surplus of \$7,785,240. These changes include an income tax reduction of .25 percent starting January 1, 2026 totaling \$1,918,112 for FY26; a reduction in homestead tax cap to zero, which will impact the budget in FY27; personnel salaries, benefits, and other reductions totaling \$997,967 to sworn officers regrade requests and overtime, equipment, and tools; grants to towns adjustment of \$2,074,878 for level funding; and a change in the reserve of \$320,826. Ms. Reynolds concluded that, based on the latest analysis, there will be a FY25 surplus of \$14 million.

Commissioner Elder invited Superintendent of Schools Louis H. Taylor forward to speak about the requested FY26 Board of Education (BOE) budget. Mr. Taylor asked the commissioners to reverse BOE funding cuts totaling \$3,633,301 that reduce the Cost-of-Living Adjustment for certified teachers from \$4,000 to \$2,000, and to instead restore the requested COLAs of \$4,000 for certified teachers and \$2,000 for support staff. He recognized that the FY26 budget represents a greater request than in years past, but that these increases are needed to compensate staff for prior lean budgets and to reach the Maryland Blueprint mandate to increase starting teacher salaries to \$60,000 by FY27.

Commissioner Mitrecic said it is the job of the commissioners to provide the services needed with the tax dollars they collect. This means offering competitive pay to hire the best personnel possible to provide the services that residents expect. He stated that it costs a lot more than \$2,000 to bring these employees on and train them only to lose them six months or a year later to jobs with higher pay in other counties. He also discussed the imperative to fully fund the requested grants to towns, explaining that a decision made by State legislators, an action that Ocean City officials could never have foreseen, caused the resort to lose its seasonal police officer program. He implored that the city needs this one-time County grant to maintain public safety in what has become Maryland's second most populous city each summer. He reviewed budget surpluses, stabilization funds, and scheduled loan repayments totaling roughly \$39 million, and concluded that the County is well positioned to give these needed raises.

Commissioner Fiori stated that the County is in a strong financial position right now, with only a \$427,000 shortfall if they fully fund the requested FY26 County Operating Budget. He said the shortfall could be covered utilizing a small portion of the anticipated \$14 million surplus for FY25. He stated that the BOE, County, and Sheriff's Office salaries are at the bottom of the rung, and the upcoming salary study will show that. He stated that for too long the compensation to those who assure safety, educate the County's children, and provide essential services has not kept pace with the value these professionals provide or the cost of living. He urged his fellow commissioners to support the requested salary increases.

A motion by Commissioner Mitrecic to fully fund the FY26 County Operating Budget as presented failed 3-4, with Commissioners Fiori, Mitrecic, and Purnell voting in favor and Commissioners Abbott, Bertino, Bunting, and Elder voting in opposition.

Commissioner Elder corrected certain facts, including prior BOE budgets, unknown State funding changes, the \$3 million grant to the Water and Wastewater Division, and the purpose of the budget stabilization fund. He noted that the BOE only granted a \$2,000 COLA to support staff, as if they are not as important as the teachers. In response, Mr. Taylor said that the BOE does not set the salary recommendations, but rather these are the rates negotiated by the teachers union and the support staff union. In response to comments by Commissioners Bertino, Elder, and Mitrecic regarding the anticipated \$14 million FY25 surplus, Chief Administrative Officer Weston Young explained that the County must first complete the annual audit process, and this fall County staff will be prepared to present the commissioners with recommendations to use these one-time funds to pay for one-time projects.

Upon a motion by Commissioner Abbott, the commissioners voted 4-3, with Commissioners Abbott, Bertino, Bunting, and Elder voting in favor and Commissioners Fiori, Mitrecic, and Purnell voting in opposition to adopt the FY26 County Operating Budget, with the adjustments made during their May 20 budget work session, but with the following changes: a \$2,500 COLA for all BOE, County, and Sheriff's Office personnel, an increase of \$250,000 in unrestricted grants to towns, with each town and Ocean Pines to receive an additional \$50,000; implementing the requested grade changes within the Sheriff's Office effective July 1; and a reduction in the property tax rate of \$0.02 beginning July 1, leaving a surplus of approximately \$980,000.

Upon a motion by Commissioner Abbott, the commissioners voted 5-2, with Commissioners Fiori and Mitrecic voting in opposition, to require the Sheriff's Office to report overtime spending to the commissioners quarterly.

Upon a motion by Commissioner Abbot, the commissioners voted unanimously to direct the remaining \$980,000 surplus to pay down the debt service for the BOE's Other Post Employment Benefits liability.

The commissioners discussed their positions on the amended FY26 County Operating Budget.

Commissioner Abbott said that the commissioners worked really hard to adopt a budget that focuses on the needs of all County citizens, and this budget does exactly that.

Commissioner Mitrecic disagreed and said that the adjusted FY26 budget reflects the biggest disservice to the schools, County, Sheriff's Office, towns and Ocean Pines, and the residents.

Commissioner Purnell said that the schools have done a great job, presented a responsible budget, but they were not fairly compensated for their efforts.

Commissioner Fiori said that both the County and BOE employ incredible people, half of whom cannot afford to live here, and the adjusted budget does not fairly compensate them. He also lamented over the County's refusal to support the Town of Ocean City's grant request when it is in dire need following the State mandate that dissolved the seasonal police officer program.

Commissioner Elder said that this is the most equitable County budget to be adopted during his 10 years in office. He pointed out that the FY26 budget provides the BOE with increased funds totaling \$7 million, while also providing tax relief to all taxpayers, resident homeowners, and property owners. He concluded that he is out and about in the community, and no resident has ever informed him that they would like to see their taxes go up, and with this budget he can go home and sleep well, knowing that he has done the best for everyone.

In response to a question by Commissioner Elder, Mr. Young confirmed that most counties have or will increase school funding by five to seven percent above the prior year's budget, so Worcester County falls within the higher range with its increase to BOE funding of seven percent.

The commissioners adjourned to meet again June 3, 2025.