



TALBOT COUNTY, MARYLAND

County Council

MINUTES

May 5, 2026

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

- I. Agenda – The Agenda of Tuesday, May 5, 2026, was brought forward for approval. Mr. Stepp made a motion to remove *Item VI. Update and Request by Mid-Shore Behavioral Health* from the agenda as the presenters were unable to be in attendance; the motion was seconded by Ms. Haythe, and the Council approved the Agenda, as amended, by voting 5 – 0 as follows:

Mr. Callahan – Aye (via telephone)
Mr. Stepp – Aye
Mr. Leshner – Aye
Ms. Mielke – Aye
Ms. Haythe – Aye

The presentation will be rescheduled in the near future.

- II. Disbursements – Mr. Leshner requested and received unanimous consent for approval of the Disbursements of Tuesday, May 5, 2026.
- III. Proclamation: Motorcycle Safety and Awareness Month – May 2026 - 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 economical 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. Upon motion by Ms. Mielke, seconded by Mr. Stepp, the Council approved the proclamation by voting 5 – 0 as follows:

Mr. Callahan – Aye (via telephone)
Mr. Stepp – Aye
Mr. Leshner – Aye
Ms. Mielke – Aye
Ms. Haythe - Aye

Ken Eaton, Director, Mid-Shore Chapter, and Executive Director, ABATE (A Brotherhood Against Totalitarian Enactments) of Maryland, Inc., stated that ABATE's members are dedicated to promoting motorcycle safety, training, education and public awareness throughout Maryland. Mr. Eaton briefed the Council on ways ABATE works with the State each year, particularly in May, to promote motorcycle safety and awareness, including the distribution of motorcycle safety yard signs throughout the community, encouraging motorcyclists and motorists to stay alert, obey all traffic laws, and show respect to all users of the road. Council members expressed their appreciation to Mr. Eaton and ABATE of Maryland, Inc. for their efforts to promote motorcycle safety.

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

- IV. Proclamation: Correctional Officers and Employees Week – May 3 – 9, 2026 – 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 helping resolve the personal issues which led to their incarceration. Upon motion by Mr. Stepp, seconded by Ms. Haythe, the Council approved the proclamation by voting 5 – 0 as follows:

Mr. Callahan – Aye (via telephone)
Mr. Stepp – Aye
Mr. Leshner – Aye
Ms. Mielke – Aye
Ms. Haythe - Aye

Joe Hughes, Director, Talbot County Department of Corrections, expressed his appreciation to the Council for recognizing Department of Corrections employees, for doing, in his opinion, a hard job, and credited the officers for maintaining a good attitude and performing their duties as professionals. He stated that the Department will be recognizing its Officer of the Year on Wednesday, May 6, 2026. Council members expressed their appreciation to the employees of the Department of Corrections for their hard work and dedication. Director Hughes introduced Deputy Director, Cindy Green, and officers and employees of the Department of Corrections employees in attendance.

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

V. County Manager’s Report:

- A. Chesapeake College Board of Trustees – Requested Council approval to forward a letter to the Governor in support of Darius Johnson’s application for consideration of appointment to the Chesapeake College Board of Trustees as a representative of Talbot County. Upon motion by Mr. Leshner, seconded by Ms. Haythe, the Council approved forwarding the letter of support by voting 5 – 0 as follows:

Mr. Callahan – Aye (via telephone)
Mr. Stepp – Aye
Mr. Leshner – Aye
Ms. Mielke – Aye
Ms. Haythe – Aye

Mr. Leshner stated that Mr. Johnson currently serves on the Chesapeake College Foundation Board, and as such, has been thoroughly vetted. He stated that the Council looks forward to working with Mr. Johnson should he be appointed to the Board of Trustees. Council discussion ensued with Cliff Coppersmith, President, Chesapeake College, who spoke of Mr. Johnson’s leadership skills and his high regard within the community. Dr. Coppersmith stated that the 2026 Commencement Ceremony for Chesapeake College will take place on Wednesday, May 20th at 2:00 p.m.; Ms. Haythe

is the commencement speaker. Dr. Coppersmith stated that if appointed, Mr. Johnson would replace outgoing Talbot County Board member, Dr. Blenda Armistead, who is ineligible to serve another term. Each of the five participating counties has two members who serve on the Chesapeake College Board of Trustees.

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

VII. Public Hearing:

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

The County Council, in the Fiscal Year 2027 Proposed Budget, is proposing to adopt a real property tax rate of 81.80 cents per \$100 of assessed valuation for all properties located outside the incorporated towns. This includes an education supplement of 1.47 cents for the increase in funding for Talbot County Public Schools and is 1.48 cents higher than the current real property tax rate. This rate is 5.1% higher than the constant yield rate of 77.81 cents and will generate \$2,349,718 more in property tax revenues in Fiscal Year 2027 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 2027 Tax Rate today. The Fiscal Year 2027 Tax Rate will be adopted as part of the Fiscal Year 2026 – 2027 Annual Budget and Appropriation Ordinance, currently scheduled for adoption on Tuesday, May 26, 2026.

Bill No. 1625, AN ACT TO ESTABLISH THE 2026 – 2027 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 FY27 Budget which took into account the shifting policy changes at the federal level, the State's budget deficit and its shift of some fiscal responsibilities to the local jurisdictions, general economic pressures, and workforce challenges related to recruiting and retaining talent. He stated that the budget development strategy includes keeping the FY27 Budget at or below the FY26 levels by limiting new positions to those for which a funding source has been identified, concentrating on completing existing capital projects, prioritizing public safety and education, and continuing to focus on *Personnel, Processes and Projects*. Mr. Stamp stated that the proposed FY27 Budget reflects the County's historic conservative budgeting method of underestimating revenues and overestimating expenses. Finance Director, Martha Sparks, stated that the FY26 General Fund Budget is performing well, revenues are projected to come in slightly above estimates, and expenditures are anticipated to meet budgeted levels. She stated that the FY26 Budget supported and allowed for meaningful improvements in government services, community support, communications and overall government effectiveness. She outlined several accomplishments of the past year, including initiating the construction of the North EMS Station in Cordova to improve emergency response times and public safety in the northern part of the county, the purchase of new heart monitors, stair chairs and power stretchers for all paramedic units, increased support to the volunteer fire departments in the county, and routine maintenance and paving of County roadways, including the County's partnership with the Town of Easton to widen and strengthen Goldsborough Neck Road to enhance safety, improve access and support future economic growth for Mistletoe Hall Commerce Business Park and Talbot Commerce Park. Other projects outlined by Ms. Sparks included the Chapel Road culvert

replacement, the completion of the renovation and expansion of the St. Michaels Branch of the Talbot County Free Library, improvements at the County owned pools (Easton and St. Michaels) and the establishment of the Office of Community Partnerships which will serve as a coordinating office to strengthen collaboration among various agencies, nonprofit partners and community stakeholders to improve access to resources. Ms. Sparks reiterated Mr. Stamp's previous statement that the proposed FY27 Budget of \$159.1 million was developed utilizing the County's historic conservative budgeting method of underestimating revenues and overestimating expenses. She stated that the proposed budget reflects input from department heads, outside agencies, the Finance Department, Mr. Stamp and work sessions with the Council and the priorities and decisions made during those discussions. She stated that modestly projecting revenues, evaluating needs and their impact on expenditures, and strategically utilizing reserves, has placed the County in a healthy financial position to withstand fiscal uncertainties at the State and federal levels. Ms. Sparks stated that the proposed FY27 Budget prioritizes investments in infrastructure and includes Property Tax revenues of two percent (2%) over FY26 revenues in accordance with 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, the funding from which will be used for Public Safety, and a 1.47 cent (\$.147) Education Supplement. She stated that there are no changes to the Income Tax rate or increases in the Schedule of Fees for FY27. She stated that Income Tax rates remain volatile due to the State of Maryland approving a higher tax rate on higher income earners; the last time the State enacted similar increases, Talbot County's Income Tax revenue decreased by 40% due to out migration and it took a decade for the County to recover. Ms. Sparks provided information on General Fund Reserves which, at the close of FY25 totaled \$106 million; \$24.9 million in the Rainy Day Reserves, \$7.5 million in Risk Mitigation Reserves, \$4.8 million in permanent Public Improvement Reserves, and \$44.3 million in Unassigned Reserves. She stated all the balances were calculated in accordance with the Reserve Policy adopted by the Council in February 2025 and provide 30% coverage of General Fund Expenditures (excluding financing costs). She stated that FY25 Reserves included \$21.6 million assigned to the FY26 Budget and \$2.7 million in non-spendable Reserves, emphasizing that Reserves should only be used for non-recurring purchases, projects, or payments, not for ongoing expenses like personnel or education funding. She noted the benefits to the County and its residents of maintaining Reserve funding which demonstrates strong financial management to credit rating agencies, allowing the County to obtain lower interest rates and reduced borrowing costs, as well as the funding of small capital projects without borrowing. Ms. Sparks then outlined various components of the proposed FY27 Budget which include the required local funding share for Talbot County Public Schools in the sum of \$57 million, plus an additional \$1.8 million for capital projects (Easton Middle School roof and exterior repairs to the Talbot County Education Center), \$619,801 for teachers' pensions and \$307,663 for Universal Pre-K as mandated by the State. She stated that in FY25, Talbot County had the 12th highest per pupil funding of the 24 school districts in the state and the 4th highest local per pupil funding. She stated that the FY27 proposed budget also includes a 3.0% Cost of Living Adjustment (COLA) and one (1) performance-based step for County employees; no new general government positions are included in the proposed budget without an identified funding source. She stated that Fund Balance reserves will be used as follows: \$5.5 million for Capital Outlay (equipment) purchases; \$4.6 million for Capital Projects; and \$2.2 million for the Recreation Fund. Ms. Sparks outlined how revenue estimates were derived, stating that Property Taxes are the County's largest revenue source (46.5%) and that the education supplement is incorporated into the revenue received from Property Taxes but resets to zero (0) each year; revenues received from the Education Supplement each year are dedicated exclusively to education funding and are used to pay for a level of funding that does not decrease. The other primary source of revenue for the County is Income Taxes (25.1%). Other local taxes such as Recordation and Transfer taxes are 9.4% of General Fund revenues and are tied to the real estate market in Talbot County; the net increase in education funding to Talbot County Public Schools, teachers' pensions, and universal Pre-K is \$1.8 million. She stated that General Fund expenditures have increased 5%, mainly as a fixed cost related to the County's workforce; Capital

Outlay increased by \$2.4 million to \$5.5 million, \$2.3 million of which is the County's contribution to the construction cost of the Queen Anne's Technical Center at Chesapeake College to support improvement of short-term workforce focus courses and programs for adult learners, individuals changing careers, etc. Also included in the proposed FY27 budget is an increase of \$2.3 million in transfers to the Recreation Fund for various Capital Outlay and Capital Improvement projects for the Talbot County Community Center, Hog Neck Golf Course and recreational programming. Ms. Sparks stated that education expenditures, including Talbot County Public Schools, the Talbot County Free Library, and Chesapeake College are 43.7% of General Fund expenditures; Public Safety, which accounts for 26.9% of General Fund expenditures, shows the Council's strong support for Public Safety and the local fire departments. Ms. Sparks stated that General Government expenditures total 11.7% of the proposed budget; Public Works expenditures total 5.6%. She stated that the total proposed Property Tax rate has been calculated at \$0.8180, which includes an education supplement of \$0.0147, provided an example of the amount of Property Tax increase on a property assessed at \$300,000, and the amount of Property Tax increase since 2019. She provided information on the Tax Differential provided to residents in the incorporated towns, stating that the total benefit to the property owners was \$4.1 million in FY25. She stated that although Talbot County has had the lowest Property Tax rate in the state for many years, it will no longer retain that distinction due to the increased educational costs mandated by the State under the *Blueprint for Education* and the County's Charter-mandated revenue cap which limits its flexibility to increase Property Tax revenue. Ms. Sparks stated that if the County chooses to not take the two percent (2%) increase each year as provided for in the Charter, or the additional one cent (\$.01) in a year as approved, the County cannot make up the lost revenue in future years, even if education or other mandated costs rise sharply. She stated that Talbot County has the second lowest Income Tax rate in Maryland (2.4%). Ms. Sparks concluded her presentation by stating that bond rating agencies, Fitch and Moody's Investor Service, affirmed the County's credit rating at AAA and Aa1, respectively, as of May 15, 2025. A second public hearing on the proposed FY27 Budget will be held at 7:00 p.m. at Easton Elementary School Cafeteria; final budget deliberations will be held on Tuesday, May 12, 2026. The FY27 Budget is scheduled for adoption on Tuesday, May 26, 2026; written comments will be accepted until Friday, May 8, 2026, and may be sent to publiccomment@talbotcountymd.gov. Council discussion ensued with Ms. Sparks. Members of the public were afforded an opportunity to comment on the Constant Yield. Mr. Leshar closed the public hearing on the Constant Yield. Bill No. 1625 was read into the record by the Clerk and members of the public were afforded an opportunity to comment on Bill No. 1625.

VIII. Council Comments:

Mr. Stepp - Mr. Stepp stated that he was looking forward to seeing everyone tonight at 7:00 p.m. at Easton Elementary School for the public hearing.

Ms. Mielke - Ms. Mielke stated that, in her opinion, the Cordova Volunteer Firemen's Association 100th Anniversary celebration was fabulous. She stated that the Easton Middle School Band performed and various fire companies were represented, accompanied by lots of firetrucks, including classic firetrucks. Ms. Mielke concluded her comments by stating that, in her opinion, the food was delicious and noted there was a real fire call during the event.

Prior to Ms. Haythe's comments, Mr. Stamp recognized Ms. Haythe for her insight and efforts to host a Housing Fair in Talbot County. He stated that the event was well attended and represented and expressed his appreciation to Ms. Haythe and County staff for their organizing the event.

Ms. Haythe - Ms. Haythe concurred with Mr. Stamp’s comments regarding the success of the Housing Fair and expressed her appreciation to the members of County staff who organized the event.

The meeting recessed at 2:39 p.m.

The Council meeting reconvened at 7:00 p.m. in the Easton Elementary School Cafeteria, 307 Glenwood Avenue in Easton. Bill No. 1625 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 proposed FY27 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 proposed FY27 Budget, statistical information and charts detailing County General Fund Revenue and Expenditures, and projects which had been completed in FY26 or are planned for completion in FY27 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. 1625 will be accepted until Noon on Friday, May 8, 2026; emailed comments can be sent to publiccomments@talbotcountymd.gov. Bill No. 1625 is eligible for vote on Tuesday, May 26, 2026.

Upon motion by Ms. Mielke, seconded by Mr. Stepp, the Council voted to adjourn by voting 4– 0 as follows:

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

The public hearing concluded at 7:45 p.m.

The transcripts of the Tuesday, May 5, 2026, County Council meeting and the evening public hearing are available for review in the Office of the Talbot County Manager during regular office hours.

IX. Summary of Closed Session Held on May 5, 2026:

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


Time of closed session: 12:35 p.m. End 12:40 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, Haythe, Mielke, Stepp
Members opposed: None
Abstaining: None
Absent: None

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, Keasha Haythe, Lynn Mielke, Dave Stepp, Clay Stamp, Jessica Morris, Patrick Thomas	No action

		TALBOT COUNTY, MARYLAND	
		WEEKLY CASH STATEMENT	
		5/5/2026	
OPERATING FUNDS - SHORE UNITED BANK			
OPERATING FUNDS AT		4/28/2026	\$ 18,570,780.30
Returned Checks #5543, #4270			(4,254.97)
Deposits			1,245,109.44
Checks			(128,636.21)
ACH Disbursements			(1,032,894.32)
OPERATING FUNDS AT		5/5/2026	\$ 18,650,104.24
PETTY CASH FUNDS			\$ 17,855.00
INVESTMENT FUNDS			
		<u>Yield</u>	
Maryland Local Government Investment Pool (MLGIP)		3.70%	\$ 24,126,563.18
Bayvanguard Bank		3.89%	\$ 11,594,536.68
Shore United Money Market Account		3.64%	\$ 64,892,182.61
INVESTMENT FUNDS TOTAL			\$ 100,631,137.47
TOTAL ALL CASH AND INVESTMENTS			\$ 119,281,241.71