

ORDINANCE 2025-02

**AN ORDINANCE OF THE COTTAGE CITY COMMISSION TO ADOPT A BUDGET
AND LEVY PROPERTY TAXES
FOR THE 2025-2026 FISCAL YEAR**

WHEREAS, Sections 38, 39, and 40 of the Charter of Cottage City requires the Cottage City Commission to adopt an annual budget containing anticipated revenues and appropriations for public purposes; and

WHEREAS, each fiscal year of the Town commences on July 1 and ends by the following June 30, pursuant to Section 38 of the Charter of the Town; and

WHEREAS, Section 39 of said Chapter, requires that before adopting the budget the Commission shall hold a public hearing thereon after two weeks' notice thereof in some newspaper or newspapers having general circulation within the municipality; and

WHEREAS, Section 46 of the Cottage City Charter provides that the Budget Ordinance shall constitute the tax levy for the fiscal year; and

WHEREAS, the Cottage City Commission enacted Ordinance 2016-06 on October 12, 2016, thereby amending the Code of the Town of Cottage City by adding Chapter 13 (Assessments and Taxation), Article 1 (Property Classification) by creating, defining, and designating certain tax classifications for residential and commercial real property situated within the Town and subject to municipal taxation, and generally relating to municipal taxation; and

WHEREAS, after several special meetings, the Commission has prepared a budget for the fiscal year beginning July 1, 2025, and ending June 30, 2026, containing anticipated revenues and proposed expenditures; and

WHEREAS, the Town of Cottage City Budget as developed by the Commission and staff, is indicated herein below; and

WHEREAS, the current Real Property Tax Rates for the Town of Cottage City were set for the Fiscal Year beginning July 1, 2024, and ending June 30, 2025, at the rate of \$0.4538 for Noncommercial Real Property, and at the rate of \$0.6735 for Commercial Real Property; and

WHEREAS, according to the State Department of Assessments and Taxation, the Town's real property net assessable base for Noncommercial Real Property and Commercial Real Property for Fiscal Year 2026 will be \$102,744,895 and \$55,845,402 respectively, and the constant yield tax rates (CYTR's) for the two classes of real property according to SDAT's certifications are \$0.4186 (noncommercial) and \$0.6158 (commercial) respectively; and

WHEREAS, Charter, Section 39 prescribes that before adopting the budget the Commission shall hold a public hearing thereon after two weeks' notice thereof in some newspaper or newspapers having general circulation within the municipality, and the Commission may insert new items or may increase or decrease the items of the budget; and

WHEREAS, pursuant to § 15 of the Town Charter, in cases of emergency, as determined by the Commission, the provision that an ordinance must be passed not less than six (6) nor more than sixty (60) days after the meeting at which it was introduced may be suspended by the affirmative votes of four members of the commission; and

WHEREAS, pursuant to § 5-205 of the LG Art. of Md. Ann. Code, a municipality may spend money for a purpose different from the purpose for which the money was appropriated or spend money not appropriated at the time of the annual levy if approved by a two-thirds vote of all the individuals elected to the legislative body; and

WHEREAS, the Cottage City Commission finds that it is more efficient and cost-effective to maintain a supplemental, detailed, line-item budget for the day-to-day management of the finances of the Town while adopting into law before the new fiscal year, as an emergency or regular measure adopted at just one or two meetings, the formal budget having the consolidated or major line items as stated herein below; and

WHEREAS, the Cottage City Commission has deemed it appropriate to adopt this budget ordinance after its introduction at a subsequent town meeting such that it will take effect upon the commencement of the next fiscal year.

NOW, THEREFORE, BE IT ORDAINED BY THE COTTAGE CITY COMMISSION, in special or regular session assembled, that the Town of Cottage City Budget containing anticipated revenues and proposed expenditures as indicated below, are hereby adopted for fiscal year 2026, beginning July 1, 2025, and ending June 30, 2026.

Section 1. The Fiscal Year 2026 Budget shall be divided into the following major anticipated revenue funds or groups having the estimated amounts as indicated below:

| <u>REVENUE SOURCE</u> | <u>PROPOSED BUDGET</u> <u>AMOUNT</u> |
|--------------------------------|---|
| Taxes | \$1,013,344 |
| Intergovernmental | \$80,861 |
| Fines, Charges & Misc. Fees | \$358,000 |
| Grants | \$1,911,385 |
| Other | \$54,800 |
| Appropriated from Fund Balance | \$1,710,545 |
| Total Revenues: | \$5,128,935 |

Section 2. The total of the anticipated revenues and any estimated fund balance available for expenditure during the fiscal year within each of the aforesaid categories of the FY 2026 Budget Ordinance shall equal or exceed the total of the proposed expenditures within the following general classification of expenditure or major appropriations having the amounts as indicated below:

| <u>EXPENDITURES</u> | <u>PROPOSED BUDGET</u> <u>AMOUNT</u> |
|----------------------------|---|
| General Government | \$ 522,870 |
| Public Works | \$ 297,749 |
| Police Department | \$ 655,747 |
| Grant Expenditures | \$2,084,730 |
| Capital Outlays | \$227,200 |
| Fund Balance to Next Year | \$1,340,639 |
| Total Expenditures: | \$5,128,935 |

AND BE IT FURTHER ORDAINED that the Cottage City Real Property Tax (Noncommercial Real Property) for the Fiscal Year beginning July 1, 2025, and ending June 30, 2026, shall be at the rate of \$0.4538 per \$100.00 of assessed real property value, and such tax is hereby levied on all real property located in Cottage City that is subject to municipal taxation.

AND BE IT FURTHER ORDAINED that the Cottage City Real Property Tax (Commercial Real Property) for the Fiscal Year beginning July 1, 2025, and ending June 30, 2026, shall be at the rate of \$0.7200 per \$100.00 of assessed real property value, and such tax is hereby levied on all real property located in Cottage City that is subject to municipal taxation.

AND BE IT FURTHER ORDAINED that the Cottage City Business Personal Property Tax for the Fiscal Year beginning July 1, 2025, and ending June 30, 2026, shall be at the rate of \$1.35 per \$100.00 of assessed property value, and such tax is hereby levied on all personal and operating property located in Cottage City that is subject to municipal taxation.

AND BE IT FURTHER ORDAINED that notwithstanding this budget ordinance, the FY 2026 Budget may be presented and discussed in further detail by enumerating additional sub-categories or detailed items pertaining to either revenues or expenditures as deemed necessary and expedient by the Cottage City Commission (the "Detailed Budget"), and although not considered incorporated by reference or formally part of this FY 2026 Budget Ordinance, the Detailed Budget, unless subsequently modified by the Commission, shall reflect the various items discussed therein and shall remain substantially uniform throughout the fiscal year having essentially the same format and items as presented to the Commissioners at the Town meeting wherein the FY 2026 Budget was approved.

AND BE IT FURTHER ORDAINED that all budget amendments transferring monies between major revenue funds, line items, classifications and/or major appropriations as reflected in this FY 2026 Budget Ordinance shall be submitted to the Cottage City Commission for approval, from time to time, by ordinance, and minor budget changes or amendments, however, occurring within certain specified sub-categories or the various detailed items not reflected herein above but shown in the Detailed Budget, shall be approved from time to time by the Town Manager subject to review and approval by the Cottage City Commission as recorded in the journal of its proceedings.

AND BE IT FURTHER ORDAINED that the Town Manager shall give notice of the making of the levies and budget approval by posting a notice thereof in some public place or places in the Town.

AND BE IT FURTHER ORDAINED AND ENACTED, that a fair summary of this ordinance shall be published at least once within ten days after the date of passage in a newspaper or newspapers having general circulation in the Town.

AND BE IT FURTHER ORDAINED AND ENACTED, that the Commissioner-Chairman shall be authorized to sign this Ordinance on behalf of the Commission, and that this Ordinance shall not be codified.

INTRODUCED by the Commission of Cottage City at a Town meeting on the 12th day of June 2024, at which meeting copies were available to the public for inspection.

HAVING BEEN INTRODUCED AND HAVING BEEN READ as an ordinance and passed by a yea and nay vote of the Cottage City Commission with the affirmative votes of four members elected to the legislative body as indicated below at a Public Meeting of the Town of Cottage City held on the 14th day of May 2025, at approximately 7 o'clock p.m., in the Town Hall in Cottage City, Maryland.

ATTEST:

TOWN OF COTTAGE CITY, MARYLAND

John Hoatson, Town Manager

By: _____
Wanda Wheatley, Commission-Chair

CERTIFICATION

I, HEREBY CERTIFY, as the duly appointed Town Manager of the Town of Cottage City, Maryland, that on the ____ day of ____ 2025 with _____ Aye votes and ____ Nay votes, the aforesaid Ordinance 2025-02 passed.

John Hoatson, Town Manager