

The Town of New Market



1793

BUDGET REPORT

FISCAL YEAR 2027

*Prepared by: Mayor Winslow Burhans III &
Debra Butler, Clerk-Treasurer*

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FY27 Budget Overview

Overview

- Total Revenues: ~\$2.8 million
- Total Expenditures: ~\$2.5 million
- No change in property tax rate (unchanged for 25+ years)

Key Revenue Highlights

- Local Income Tax: ~\$640,800 (conservative estimate)
- Property Taxes: ~\$426,780 (growth-driven increase)
- Grants: \$590,600 (CIP) + \$75,000 (Operating)
- SZSSP Revenue: ~\$405,000 (declining with compliance)
- Interest Income: ~\$196,000 (based on ~\$5.6M balance)
- Declines in cable franchise fees; pavilion rental income begins

Key Expenditure Highlights

- CIP: \$857,725 (down from FY26)
- Administrative costs increased because of staffing changes and construction
- Planning & Zoning increased (Master Plan, LDO updates)
- Parks costs increased (new pavilion operations)
- Engineering costs decreasing (MS4 cycle)
- Insurance costs increased (additional properties)

Capital Investment Priorities

- 90 W Main Street renovations and upgrades
- Parkland acquisition and improvements
- Traffic and pedestrian safety improvements

Financial Position & Strategy

- Operating Unappropriated Reserve: ~\$540,802 (~\$344,802 excluding interest)
- Annual Infrastructure Need: ~\$622,745
- Structural gap between recurring revenue and long-term needs
- Focus on rebuilding reserves

Looking Ahead

- Population growth increases revenue and service demands
- ~\$24 million in long-term infrastructure needs
- Maintain reserves to remain debt-free

Summary

Founded in 1793 and incorporated in 1878, the Town of New Market lies along the historic National Road. Over the past twenty years, its population has grown from 427 to 1,581 in 2020, with further growth on the horizon. The town strives to balance new development with the character and history that make our community unique.

The Town's fiscal year runs from July 1 to June 30. Each year, staff, the Mayor, and Council review financial conditions, operational needs, infrastructure obligations, and capital priorities when preparing the budget. The FY27 budget was developed amid ongoing inflation and uncertainty in several revenue sources. Despite these challenges, we are maintaining service levels, supporting operations, and investing in infrastructure without raising tax rates, which have remained unchanged for more than twenty-five years.¹

The FY27 General Fund budget totals approximately \$2.8 million in revenues and \$2.5 million in expenditures. Property taxes and some intergovernmental revenues are increasing, but others — including local income taxes, development fees, and interest income — remain less predictable. We therefore prepared the estimates conservatively.

Growth is creating additional demands on infrastructure, operations, and administrative capacity. While this growth will eventually expand the tax base, it is putting pressure on Town services in the near term. This budget takes a measured approach to meeting those needs while maintaining financial flexibility.

Infrastructure maintenance remains one of our biggest long-term responsibilities. We estimate that approximately \$622,745 is needed annually to sustain roads and other public assets. Current revenues provide some capacity to meet these needs, but not all revenue sources are reliable year after year. Continued planning and disciplined budgeting will be required to maintain this level of investment.

We also continue working to strengthen the local tax base. Because state and county funding can fluctuate, developing more dependable local revenues is increasingly important. The Town will continue to support local businesses and pursue opportunities that enhance economic vitality and long-term fiscal health.

This budget reflects the decisions needed to manage growth responsibly while maintaining the Town's overall financial position.

Revenue Highlights

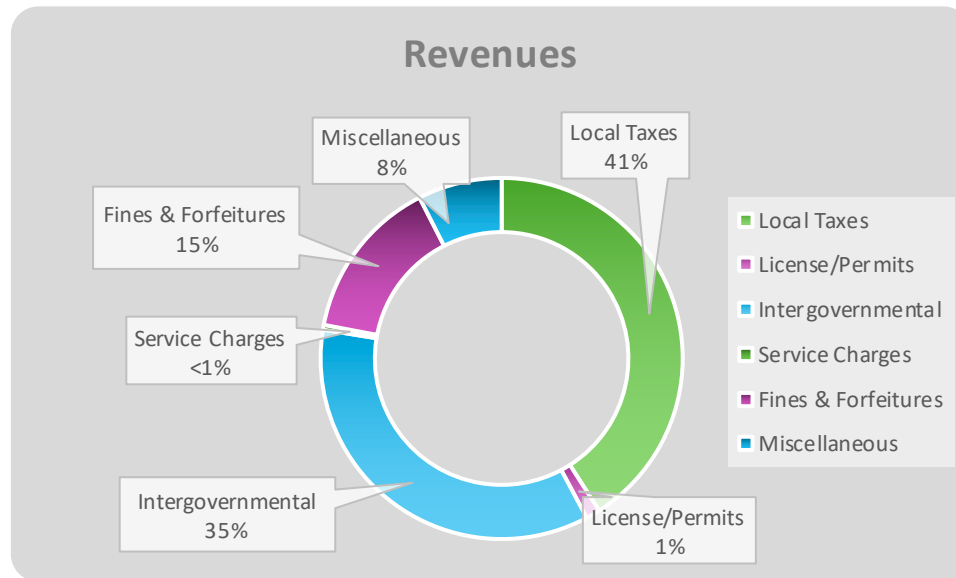
- Local income tax revenue, based on the State's five-year rolling average, accounts for about 23%² of total revenues, when Capital Grants and SZSSP revenues are included.
- Grant funding makes up roughly 28% of total revenues, \$590,600 in capital grants and \$75,000 in operating grants.

¹ Real property taxes were lowered for one year during the pandemic.

² Income tax revenues are approximately 35% of total revenues without capital grants and SZSSP revenue included.

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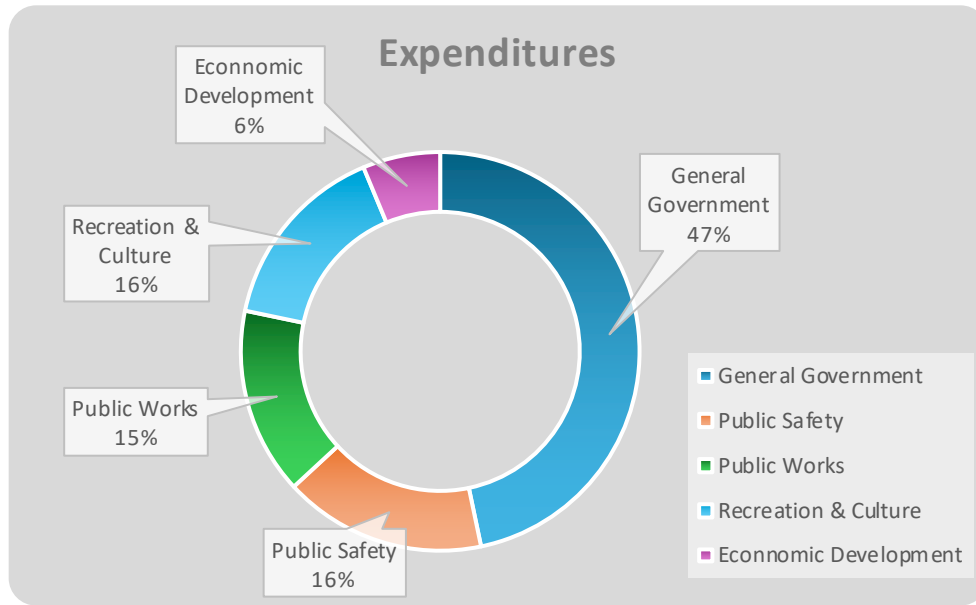
- School Zone Speed Safety revenue continues to decline as citation volumes decrease, indicating improved driver compliance in the school zone.
- Cable TV franchise fees are declining as households shift to streaming services.
- Interest and dividend income is down about \$64,000 due to lower fund balances after the purchase of 90 W Main Street.
- Property tax revenue may increase by approximately \$51,000 due to growth in the assessable base and new plats.
- With the opening of the new Community Park Pavilion, rental income will be generated.



Expenditure Highlights

- Capital Improvement Program spending is down by approximately \$3,138,579³ from FY26, as several major projects near completion.
- Engineering costs for the MDE-MS4 permit are decreasing by about \$62,600 as the current permit cycle ends, though ongoing compliance costs will continue.
- Administrative salaries increased due to staffing transitions, new full-time positions, and temporary support during the hiring and training process.
- Audit and Accounting increases due to HR administration, 401 (k) package, and fiscal study.
- Planning and Zoning expenditures are higher due to work on the Master Plan and updates to the Land Development Ordinance.
- Parks and Recreation costs have increased with the opening and operation of the new pavilion.
- Insurance costs rose due to the addition of Town-owned property.

³ There were two main CIP expenses in FY26 – the purchase of 90 W Main Street (\$2,188,271) and the construction of the Open-Air Pavilion (\$646,105). The Open-Air Pavilion was partially offset by grant funds.



In FY26, the Town used more fund balance and one-time revenues to complete several large capital projects. The FY27 budget reduces reliance on one-time funds, lowers capital spending, and begins rebuilding reserves.

The Town operates on a cash basis, so current revenues must fund both day-to-day operations and long-term infrastructure needs. Based on long-term asset replacement projections (see the Capital Improvement Program section), the annual estimate for the maintenance and replacement of roads and other assets is approximately \$622,745, with the Historic District accounting for approximately 40% of this amount.

The Town operates with a single General Fund and follows the Uniform Financial Report format. For internal analysis, operating activity, capital projects, and restricted School Zone Speed Safety revenues are reviewed separately.

After excluding capital projects, School Zone Speed Safety funds, and other restricted items, the operating unappropriated reserve is projected at \$540,802, or approximately \$344,802 excluding interest and dividend income. This indicates that recurring operating revenues alone are not yet sufficient to fully support the Town’s long-term infrastructure obligations, reinforcing the need for continued prioritization and long-term financial planning.

Because the Town is required to adopt a balanced budget annually, financial planning continues to emphasize conservative budgeting and fiscal discipline.

Revenues⁴

A. Taxes – Local [1,142,580]

1. Local Property Taxes [\$426,780]

- a. **Real Property [\$401,130]** — Property taxes are based on the assessed value of real property as determined by the State Department of Assessments and Taxation (SDAT). The real property tax rate for the current fiscal year is \$0.12 per \$100 of assessed value, and taxes collected through April total \$332,551. Real property taxes account for approximately 22% of budgeted revenues.⁵

Several new developments are in the pipeline and will begin construction this year.⁶ While the real property taxes for completed and settled homes will likely not be realized until FY28, the final plats, expected to be recorded by June 30 (12 recorded plats), will add \$4,280 in full-year real property taxes. An additional 320 plats to be recorded in FY27 will add \$36,616 in half-year real property taxes.

Using the projected net assessable real property base calculated by SDAT in the Constant Yield Tax Rate Certification,⁷ the revenue for FY27 is estimated at \$360,234 ($300,194,898 * 0.12/100$). Adding the amount for the additional plats from the previous paragraph brings the total real property amount for FY27 to \$401,130.

- b. **Railroad & Public Utilities [\$16,300]** — Consistent with recent years; slightly below the three-year average.
- c. **Business Corporations (Incorporated) [\$9,000]** — Based on the current personal property tax rate of \$0.45 per \$100. To date in FY26, \$8,800 has been billed.
- d. **Personal Property (Unincorporated) [\$350]** — Slightly below the four-year average.

2. **Local Income Taxes [\$640,800]** — The State distributes the Town’s local income tax receipts based on income taxes paid by Town residents. Annual distributions reflect a combination of (1) prior-year adjustments and late payments, (2) current-year withholding, and (3) payment estimates for the upcoming tax year. These revenues account for approximately 35% of total budgeted revenues.⁸

The Comptroller’s Office has advised that a portion of income tax distributions received in prior years—particularly during the peak revenue period of FY22–FY23—were based on estimates that exceeded final tax liabilities once returns were filed. As a result, the State is now reconciling those overpayments through reduced distributions. These reductions do not necessarily reflect a decline in the Town’s underlying tax base but rather a multi-year adjustment process.

⁴ 2,789,983 is the total revenues, including Capital improvement grants, \$590,600 and SZSSP revenues of \$405,000.

⁵ Excludes CIP and SZSSP revenues.

⁶ For the estimate of the number of new homes in FY27, see “New Construction Permit Fees” on the page 6.

⁷ A copy of the *Constant Yield Tax Rate Certification* is included in Appendix A.

⁸ Excludes CIP and SZSSP revenues.

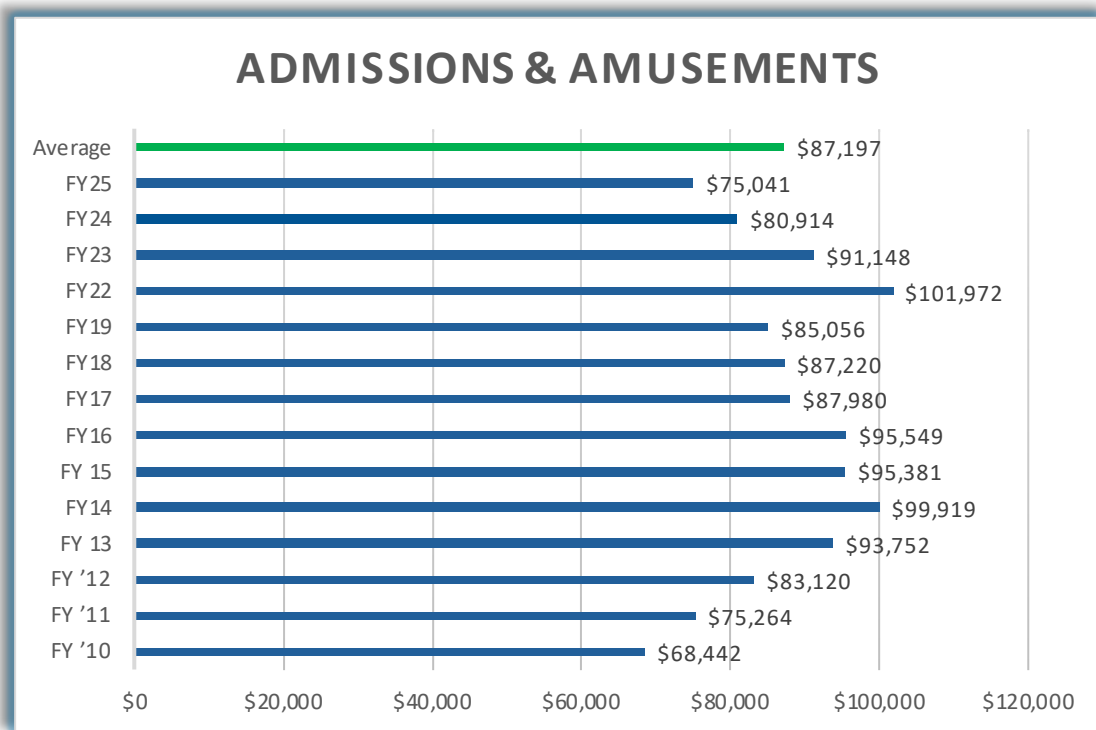
Income Taxes Collected – Amount Per Home

Fiscal Year	Taxes Collected	Amount Per Home
FY21	\$559,078	1,105
FY22	\$735,276	1,395
FY23	\$786,839	1,476
FY24	\$682,065	1,280
FY25	\$594,139	1,115
FY26*	\$644,290	1,207
Six-Year Average	\$666,948	\$1,263

*FY26 is based on a projection from the Comptroller's office, April 2026.

For FY27, a conservative estimate of \$640,800 is proposed, based on \$1,200 per household for 534 homes. The Town has averaged \$666,948 over the past six years. This reflects a reduction relative to recent per-household averages due to State reconciliation adjustments and the trailing revenues from any new construction.

- Admission & Amusement Taxes [\$75,000]** — A&A tax revenue in New Market primarily comes from Adventure Park admissions. Revenues are 75% below the last three years' average for Q1-Q3. An audit has been requested; results are pending. Excluding the COVID years, the 2010-2025 average was \$87,000. For now, we will use \$75,000, which is approximately the same as FY25.



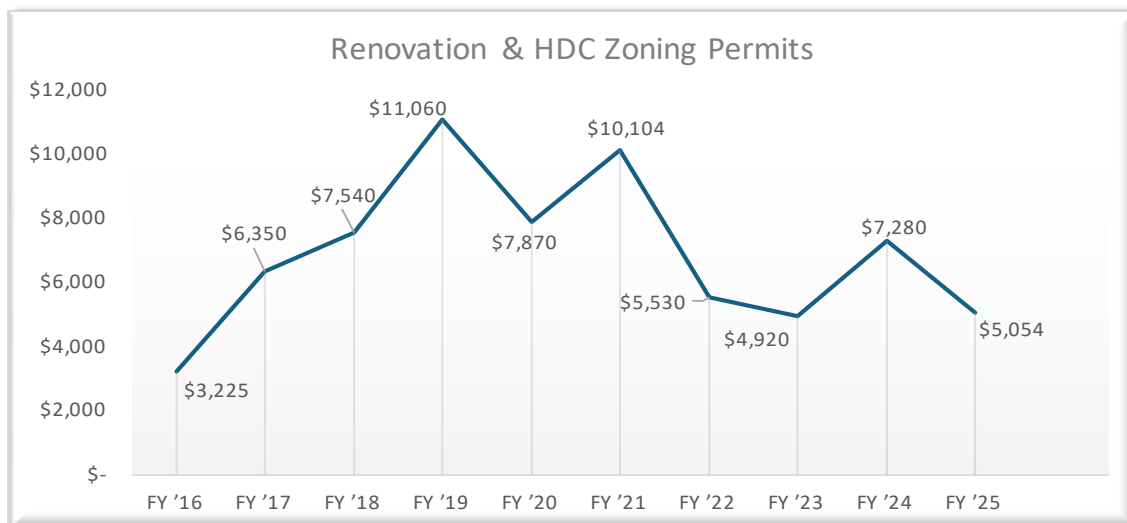
B. Licenses & Permits [\$35,250]

- 1. Trader’s License [\$1,300]** — A Trader’s License in Maryland is required for businesses that sell tangible goods, either at retail or wholesale. The amount proposed for FY27 is \$1,300, slightly less than the five-year average.
- 2. Town Business License [\$1,400]** — Town business licenses are renewed at the end of each fiscal year; there are 56 businesses scheduled to receive a renewal.⁹
- 3. New Construction Permit Fees¹⁰ [\$13,500]** — For FY27, the Town planner estimates the number of new construction permits as shown in the following chart; therefore, this budget proposes \$13,500.

Proposed New Construction Permits for FY27

Development	# of homes/ Commercial Sq ft	# of permits FY27	Type
East Main	22000 sq ft.	0	commercial
East Main	6	6	duplex
East Main	36	14	townhome
Marley	11	11	single family
Jabez	27	14	townhome
TOTAL	80	45	

- 4. Renovation, Zoning & Historic District/Architectural Review Permit Fees¹¹ [\$7,000]** — These fees cover permit applications for residential home improvements and business applications. This budget proposes \$7,000 for FY27, based on the ten-year average. Revenues will likely increase over the next several years as new homes are settled.



- 5. Façade Grant Application Fees [\$50]** — A nominal fee is required for façade grant applications.

⁹ The business renewal fee is \$25.00.

¹⁰, ¹⁰ Permit fees will be reviewed and revised in FY27.

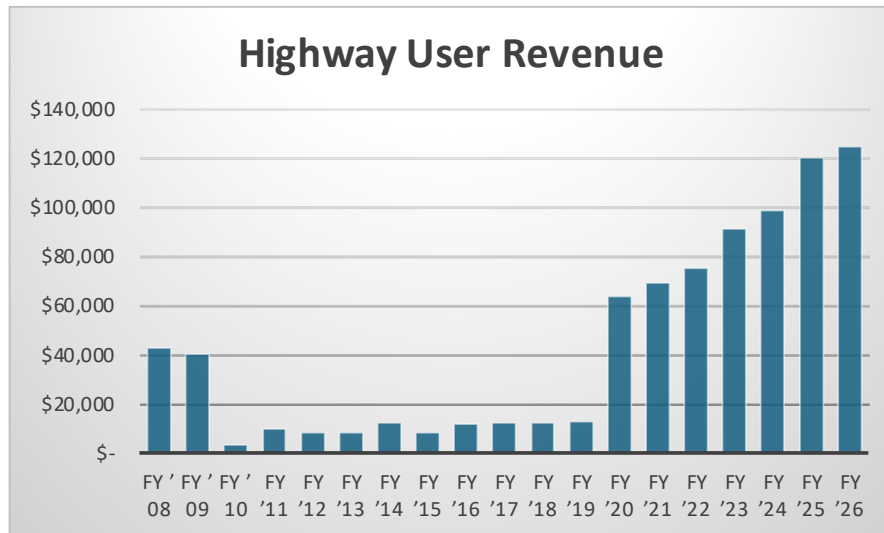
- 6. **Cable TV Franchise Fees [\$12,000]** — Cable TV fees are based on the number of subscriptions to local cable services (Comcast), but franchise fees have decreased by almost 23%. With customers continuing to switch to streaming services, the estimate for FY27 is \$12,000.¹²

C. Intergovernmental [\$986,003]

1. **Federal Government Grants [\$0]**

2. **State Government Grants [\$790,779]**

- a. **Highway User Revenues [\$125,179]** — Over the years, this amount has varied significantly. In FY10, the State cut the local share by 90%, resulting in the Town losing over \$40,000 annually from FY10 to FY19. This highlights the need for the Town to diversify its revenue stream beyond State and Federal shared sources. A December letter from State Highway estiamtethe HUR for FY27 at \$125,179, just \$61 more than FY26.¹³



- b. **State Capital Improvement Grants [\$392,000]** — The Town has received a *Local Bond Initiative* to fund renovations, repairs, and ADA modifications at 90 W Main Street. The Town requested a \$434,519 capital improvement grant for the project. The award was reduced to \$392,000 and approved in April 2026.

- c. **Project Open Space Grants (POS) [\$198,600]** — The following grants are available for FY27.
 - *Land Acquisition [\$163,500]* — This is for the purchase of soccer fields at The Orchard. There is no required match for this grant.
 - *Messanelle Park Renovation [\$35,100]* — This grant is for the connection of public water to the park and additional park enhancements. There is a \$3,900 town required match.

¹² 6% reduction expected per nationwide reports.
¹³ A copy of the letter is on page 21, Appendix B.

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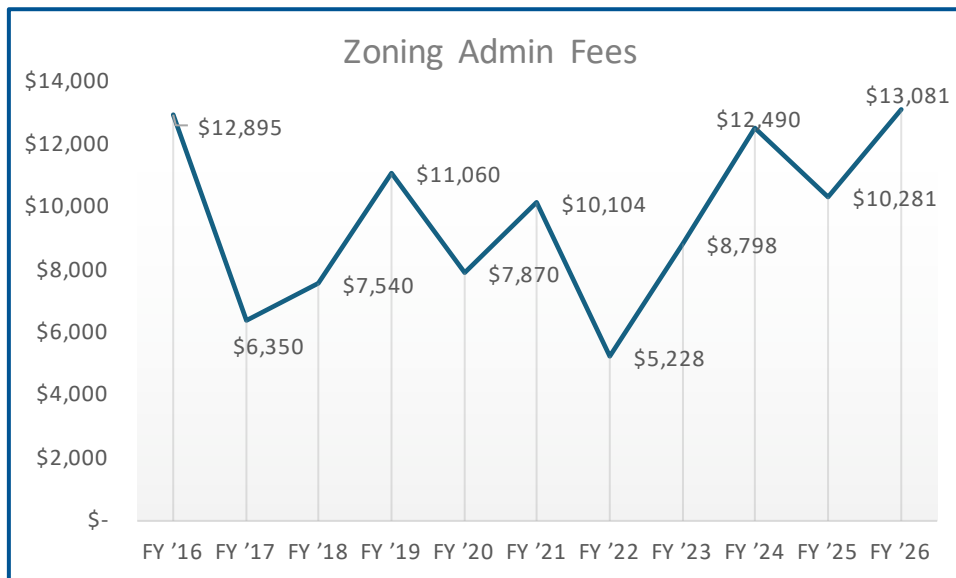
- d. **Maryland Housing and Community Development Grants — Façade Program [\$75,000]** – Since the first façade grant, over \$185,000 has been awarded to properties in New Market.
 - *Community Legacy Façade Grant (CLG-26) [\$50,000]* — For residential properties.
 - *Maryland Façade Improvement Program (MFIP-26) [\$25,000]* — For commercial properties.

2. County Government Intergovernmental Revenue [\$195,224]

- a. **City-County Tax Equity Program [\$195,151]** — For FY27, the Frederick County Council has allocated \$195,151 in Tax Equity, representing an increase of 4% from the current fiscal year. Tax Equity revenues have fluctuated significantly over the past twenty years, ranging from \$7,966 in FY12 to the proposed \$195,151 in FY27.
- b. **Bank Shares [\$73]** — The amount collected for shares remains consistent each fiscal year.

D. Services Charges for Current Services [\$12,000]

- 1. **Zoning and Subdivision Administration Fees [\$12,000]** — Represents the three-year average. The Town bills developers and applicants for contracted professional services (planner, engineer, attorney) plus a 15% administrative fee. Collections through March total \$13,081.



E. Fines and Forfeitures [\$405,000]

- School Zone Speed Safety Program (SZSSP) [\$405,000]** — Citation volume peaked in FY24 and has since declined by 36%, indicating the program is improving safety. However, the average revenue per citation has increased—from approximately \$28 in FY23 to over \$39 in FY24—suggesting improved collection rates, higher fines, or a shift toward higher-value violations. The FY26 projection assumes this higher yield per citation continues despite lower overall volume.

We are budgeting approximately the same amount as the current year’s projection. Excess revenues after program costs are allocated to traffic and pedestrian safety projects.

**School Zone Speed Safety Program
FY23-FY26**

Year	# of Citations	Revenue	Average Revenue Per Citation	Notes
FY23	14,017	\$390,606	27.87	9 months only
FY24	16,108	\$589,575	36.60	First full year
FY25	12,595	\$496,389	39.41	
FY26	10,200	\$400,000	39.22	Estimate through June
	52,920	\$1,876,570	\$35.77	

F. Miscellaneous Revenue [\$209,150]

- Interest and Dividends [\$196,000]** — Interest rates fluctuate and cannot be relied on from year to year. Given the volatility of interest rates, we recommend using 3.5%, the six-year average. Based on the current fund balance of approximately \$5.6 million, our investment fund would yield \$196,000.
- Credit Card Rewards [\$400]** — Consistent with the six-year average.
- Rents & Concessions [\$12,750]** — Estimate for the rental income for the new Open-Air Pavilion at the Community Park. Because the rental policy has not been finalized, the amount is based on comparable venues and structures in central Maryland.¹⁴
- Contributions and Donations [\$0]** — No revenue-generating special events are confirmed for FY27.

¹⁴ Based on 30 rentals at an average price of \$425.

Expenditures¹⁵

A. General Government [\$1,178,125]¹⁶

1. **Legislative – Mayoral Salary [\$3,800]** — There are no changes from last year.
2. **Elections [\$0]** — No election is scheduled for FY27.
3. **Finance Administration [\$283,313]**
 - a. **Administration Salaries [\$245,740]** - The Town does not have a Town Manager or Administrator, so our administrative staff handles a wider range of operational and financial responsibilities than is typical in many municipalities. For FY27, staff includes three full-time positions (Town Clerk, Clerk-Treasurer, and Associate Clerk) and temporary part-time support for staffing transitions and training. The temporary part-time staff (outgoing Clerk-Treasurer, Records Clerk, and a bookkeeper) are hourly-only and receive no benefits.

The proposed salaries reflect current hiring market conditions, the need to address wage compression between existing staff and the proposed hiring ranges, and the duties our staff performs compared with those of other municipalities. In addition, the Town's compensation structure relies more heavily on wages than on employee benefits, compared with many surrounding municipalities. The goal is to maintain continuity, retain institutional knowledge, and support the Town's growing workload.
 - b. **Auditing & Accounting [\$37,573]** — This covers the annual audit and Uniform Financial Report, auditor support and review of a fiscal impact study, quarterly accounting assistance from Draper & McGinley, and Paychex Pro fees¹⁷ for payroll, tax reporting, HR compliance, and 401(k) administration. The auditors quoted a range of \$19,950 to \$21,950 for the FY26 audit, depending on timing.
4. **Legal [\$22,000]** — As of March 31, FY26 legal fees totaled \$10,434. The proposed budget is based on the ten-year average number of hours billed at the current hourly rate of \$380.
5. **Planning and Zoning [\$73,281]**
 - a. **Board of Zoning Appeals [\$0]** — As the process for Board of Zoning Appeals applications has changed, this line item is no longer needed.
 - b. **Town Planner [\$45,089]** — The Town Planner function is divided into three sub-items, as listed below.

¹⁵ Expenditures for FY27 total \$2,519,075, including Capital Improvement Program (CIP) totaling \$857,725. The original budget in FY26 had \$1,783,053 in CIP projects, with an amended amount of \$3,996,304, due primarily to the purchase of the 90 W Main property.

¹⁶ Various administrative costs are split between General Government, SZSSP Administration, and Parks and Recreation Administration and they appear in the respective sections of the budget. Primarily they are split by percentage but there are some that are directly related, such as payroll costs or telephone.

¹⁷ Budgeted amount includes Paychex Pro at the current rate for 12 months. Adjustments may be necessary for this item depending on price increases or suspension of the full HR Pro package.

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- **Planning and Zoning Commission and Historic District Commission/Architectural Review Commission (HDC/ARC) Meetings [\$3,900]** — Covers the Town Planner’s participation in monthly meetings.
 - **Town Planning Tasks [\$11,189]** — Includes preparation of plans, grant applications, ordinances, resolutions, coordination with County, State, and Federal agencies, and joint planning sessions with Frederick County.
 - **Master Plan Update/County Reconciliation/Land Development Ordinance (LDO) Update [\$30,000]** — State law requires a review and update of the Town Master Plan every ten years. This project, which began in FY26, includes coordination with the County on growth areas and a major update to the Land Development Ordinance (last fully updated in 2009).
- c. Zoning Administrator/Code Enforcement Officer [\$28,192]** — The role of the Zoning Administrator/Code Enforcement Officer encompasses three main areas.
- **Code Enforcement Officer [\$1,803]** — Costs vary depending on the number of complaints and violations.
 - **Inquiries [\$6,652]** — Covers questions from homeowners, businesses, and prospective applicants about improvements, infill development, special exceptions, and annexation.
 - **Permitting & Inspections [\$19,737]** — These costs are offset by permit fees and cover review of renovation, new construction, and business applications. The fee schedule (approved in 2018) will be reviewed and updated during FY27.

6. General Services [\$63,778]

- a. General Maintenance [\$20,648]** — This covers routine and emergency maintenance for Town buildings at 40 South Alley, 39 W Main Street, and 90 W Main Street. The budget includes standard items such as HVAC service, pest control, gutter cleaning, and fire inspections, plus a contingency for unexpected minor repairs.
- b. Municipal Utilities [\$22,080]** — This amount covers water, sewer, electric, gas, and oil service for the three municipal buildings. The estimate for 90 W Main Street is based on the building's previous usage data and information from the utility companies. Actual costs may be lower once occupancy patterns are known.
- c. Municipal Building Cleaning [\$20,750]** — This is an estimate for cleaning services at 90 W Main Street¹⁸ once renovations are complete. The Town has handled cleaning in-house for many years, but we are budgeting at commercial rates until we finalize staffing arrangements.
- d. Municipal Cleaning and Restroom Supplies [\$300]** — A modest increase to account for additional employees and usage in the new building.

¹⁸ It includes weekly cleaning of the main floor, monthly cleaning of the second floor, basement cleaning during the 2027 archive project, and a possible post-construction deep cleaning.

7. Other General Government Operating Expenses [\$170,397]

- a. **Age 65+ Rebates [\$2,500]** — As of April 20, the Town has received sixteen applications. This matches the three-year average.
- b. **Advertising [\$2,000]** — Based on the long-term average. Expenditures through March totaled \$1,153.
- c. **Bank Charge Fees [\$730]** — Covers monthly account fees and other banking charges.
- d. **Conferences and Continuing Education [\$3,000]** — Supports professional development for staff and Council members. In recent years, Council members have attended Maryland Municipal League conferences.
- e. **Donations [\$500]** — The Town has spent \$120 so far this year. The three-year average is \$595.
- f. **Dues & Subscriptions [\$4,900]** — Includes memberships in the Maryland Municipal League, MML Clerks Association, Frederick Chamber of Commerce, Historic District Commission, and Planning Commission, plus subscriptions, notary renewals, and other standard items.
- g. **Employee Benefits [\$5,902]** — Represents the three-percent 401(k) match for General Government employees. Program administration costs are included under Auditing & Accounting.
- h. **Engineering [\$44,500]** — The total for General Government engineering services includes capital asset evaluations, traffic studies, forest conservation reporting, RFP preparation, grant support, and other technical work as needed. The total of \$44,500 is allocated as follows:
 - **Grant Support [\$8,000]** — Provides engineering assistance for grant applications, including preliminary studies, plans, estimates, mapping, and displays.
 - **Forest Conservation Annual Report [\$12,500]** — Covers preparation of the annual report to the Department of Natural Resources and work related to upcoming changes in the Forest Conservation Act (effective July 1, 2026). This includes reviewing the new requirements, amending the Town’s Land Development Ordinance, and coordinating with DNR on a possible forest mitigation bank.
 - **Master Plan Update [\$4,000]** — Engineering review and input for the state-mandated Master Plan Update.
 - **Miscellaneous [\$20,000]** — Covers responses to resident and staff inquiries, state and county reporting (such as the Annual Highway Report), budget documentation, asset depreciation schedules for the audit, and other engineering tasks assigned by the Mayor and Council.
- i. **Grants Administration [\$24,000]** — This covers the contracted Grant Administrator who identifies funding opportunities, prepares applications, manages awarded grants, and handles reporting and reimbursements. The contract is for approximately two hours per week at the same rate as FY26.

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- j. **Insurance [\$13,730]** — FY26 property and liability insurance for 39 W Main and 40 South Alley was \$4,900. We anticipate a 10% increase when the policy renews. The 90 W Main Street property is currently covered under Builders’ Risk and Umbrella policies during renovation. The \$13,730 budget represents the full-year cost estimate for all Town buildings once a new standard policy is in place.
- k. **Mayoral Expense Account [\$250]** — Shared with Planning and Zoning and the Historic District Commission. No change recommended.
- l. **Maryland Municipal League (MML) Meetings [\$200]** — Supports hosting one Frederick County Chapter meeting.
- m. **Municipal Furniture and Movers [\$16,400]** — Covers furniture purchases for 90 W Main Street and the cost of moving equipment, records, and furniture from 40 South Alley.
- n. **Office Supplies, Equipment & Online Services [\$27,280]¹⁹** — Amount reflects higher costs for supplies, software licenses, and website services in recent years.

Office Supplies for General Government

Category	Amount
Equipment	\$5,300
Office Supplies	\$4,800
Printing	\$3,400
ShoreScan Online Storage	\$2,400
Software Licensing	\$4,200
Website	\$4,980
Records Project Supplies	\$2,200
TOTAL	\$27,280

- o. **Postage [\$650]** — Slightly below the ten-year average. Some postage costs are charged to other departments.
- p. **Social Security & Medicare [\$19,090]** — Calculated based on total General Government salaries.²⁰
- q. **Telephone/Internet [\$3,960]** — Includes full-year cost for three mobile phone plans and partial-year estimates for internet and VoIP service once staff is relocated to the new Town Hall.
- r. **Unemployment Insurance [\$400]** — Based on the five-year average and the addition of a new staff member.
- s. **Workers’ Compensation [\$405]** — Based on the most recent policy invoice and budgeted salaries. Costs for Public Safety and Parks staff are budgeted in their respective departments.

¹⁹ The amount listed is the portion for General Government for this item.

²⁰ Total government salaries (\$249,540*7.65%=\$19,089.81).

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8. **Capital Improvement Program (CIP) – General Government [\$561,556]** — The three FY27 projects all relate to 90 W Main Street:
- First-floor renovations (reconfiguration, ADA compliance, emergency stairs, etc.)
 - Roof replacement
 - Phase 1 parking lot repairs (crack seal and striping)

B. Public Safety [\$413,000]

1. **Police Protection [\$0]** — This year’s tax equity does not include provisions for police protection.
2. **Volunteer Fire Department [\$8,000]** — The Town appreciates the important services provided by the New Market Volunteer Fire Department and will continue contributing \$8,000 to support their operations in FY27.
3. **School Zone Speed Safety Program (SZSSP) Expenses [\$316,300]** — The SZSSP was established by Ordinance 2021-01 to improve safety in the New Market Elementary and Middle School zones. Camera costs are fixed, while other expenses vary based on hours worked and citation volume. Any revenue remaining after program costs is used for pedestrian and traffic safety improvements.
4. **Public Safety Engineering & Installation [\$88,700]**
 - a. **Safety Improvements Engineering [\$8,000]** — These funds cover engineering support for safety-related projects paid for with SZSSP revenue. This includes traffic studies, identification of traffic-calming locations (particularly along Main Street), and planning for pedestrian safety improvements.
 - b. **Installation and Construction of Traffic and Safety Projects [\$80,700]** — This amount represents the balance of available SZSSP revenue after program expenses and engineering costs. It will be used for traffic-calming measures and other public safety projects.

C. Public Works [\$381,337]

1. **Highways and Streets [\$124,085]**
 - a. **Mowing [\$37,210]** — This reflects the new contract approved in March 2026, including the amendment to add 90 W Main Street. Payments will now be made in twelve equal monthly installments instead of seven.
 - b. **Snow & Ice Removal [\$28,090]** — Costs vary significantly depending on winter severity (see chart on next page). We used a 16-year average cost per mile (\$3,293) multiplied by the Town’s 8.27 miles of roads to develop this estimate.

Snow & Ice Removal FY10-FY26

Year	Miles	Snow Expenditures	Amt. Per Mile
FY '10	3.00	\$17,893	\$5,964
FY '11	3.00	\$15,668	\$5,223
FY '12	3.00	\$1,325	\$442
FY '13	3.00	\$6,007	\$2,002
FY '14	3.00	\$20,533	\$6,844
FY '15	3.66	\$14,800	\$4,044
FY '16	4.32	\$15,153	\$3,508
FY '17	5.37	\$9,054	\$1,686
FY '18	5.37	\$17,257	\$3,214
FY '19	6.56	\$33,658	\$5,131
FY '20	6.63	\$4,998	\$754
FY '21	6.63	\$26,483	\$3,994
FY '22	6.63	\$12,585	\$1,898
FY '23	6.63	\$3,650	\$551
FY '24	8.27	\$32,275	\$3,903
FY '25	8.27	\$29,250	\$3,537
FY '26	8.27	\$33,125	\$4,005
		<i>Avg Per Mile (17 yrs.)</i>	\$3,335

- c. **Sidewalk Maintenance [\$4,000]** — Brick paver sidewalks installed during the FY17 Streetscape project continue to require ongoing repairs. This amount is based on recent experience and expected needs for FY27.
- d. **Stormwater Management [\$2,000]** — Covers maintenance and cleaning of stormwater facilities. Major upgrades in the Historic District were completed in FY23.
- e. **Street Lighting [\$6,300]** – Routine bulb replacements and repairs for pedestrian lights on Main Street. Projected utility cost based on current usage.
- f. **Street Maintenance [\$33,485]** — Includes planned repairs estimate of \$29,485 plus a small contingency for emergency work or price increases.
- g. **Street Signage [\$8,000]** — Covers painting curbs, parking signs, speed limit signs, and replacements as needed. Includes scheduled work on Main Street curbing and stop signs in Royal Oaks and Wicomico Drive.
- h. **Tree Management [\$5,000]** — Based on the long-term average annual cost.

2. Waste Collection [\$138,700]

- a. **Weekly Waste Collection [\$137,000]** — The Town currently serves 534 units. Twelve new units are expected during FY27. The budget accounts for hauler fees, landfill costs, and fuel surcharges. Each household averages approximately 40 pounds of waste per week, consistent with the Town ordinance. The amount listed covers the twelve new units (two coming online per month, beginning in January) and a small increase in the fuel surcharge. Income tax estimates are based on full-year household counts, while waste collection reflects phased growth over the year.
- b. **Bulk Trash Collection [\$1,500]** — Covers tipping fees for one or two bulk pickups during the year.

Budget Report – Fiscal Year 2027 - continued

- c. **Town Cleanup [\$200]** — Supports supplies for the spring and fall community cleanup days, which rely on volunteers.

3. Other Operating Expenses [\$110,000]

- a. **Town Infrastructure Monitoring [\$25,000]** — Funds annual inspection, documentation, and reporting on the condition of roads, sidewalks, stormwater facilities, and other assets. Includes continued development of the digital inventory and mapping system.
- b. **Maryland Department of the Environment (MDE-MS4 Permit) [\$24,000]** — Covers work required to obtain and comply with the Phase II NPDES MS4 stormwater permit, including application preparation and any necessary corrections.
- c. **Roads/Sidewalks [\$16,000]** — Engineering support for resident inquiries, roadway priorities, traffic calming, ADA compliance, and crosswalk evaluations.
- d. **Project Management [\$20,000]** — New category in FY27 to provide oversight of the increased number of public works projects.
- e. **Public Works Maintenance [\$25,000]** — Placeholder funds for contracted maintenance services as the Town grows and demands increase beyond what Town staff and volunteers can handle.

- 4. **Capital Improvement Program (CIP) – Public Works [\$8,552]** — parking improvements planned for future years.

D. Parks and Recreation [\$388,456]

- 1. **Administration [\$23,049]** – Covers insurance, pavilion internet and security, restroom supplies, telephone, payroll, and other basic costs.
- 2. **Salaries [\$27,040]** – This is for the Event and Facility Coordinator part-time hire.
- 3. **Maintenance, Cleaning & Mowing [\$34,800]** — General park maintenance, restroom cleaning, post-mental cleanup, mowing the soccer field, and minor repairs.
- 4. **Utilities [\$5,950]** — Primarily for the pavilion. Costs may run higher when large doors are open during events.
- 5. **Special Events [\$10,000]** — Includes \$3,000 for the June 2027 block party and \$5,000 for Christmas in New Market in December 2026, and the Special Events committee has requested an additional \$2,000 for new decorations.
- 6. **Capital Improvement Program (CIP) — Parks and Recreation [\$287,617]** — The FY27 CIP budget includes five Parks and Recreation projects, as listed on page 19.

E. Economic Development and Opportunity [\$158,157]

- 1. Economic Development and Main Street Revitalization [\$27,896]** — These funds are allocated to the Town Planner to help implement the economic development strategy in the Master Plan. Work includes assisting property owners and businesses with code questions, supporting grant applications, coordinating with volunteer committees and the New Market Civic Partnership, and providing support to the Historic District Commission.
- 2. Green Team Initiative [\$750]** — The Green Team committee is in a rebuilding phase. The amount listed is for the doggy bag stations, a Green Team initiative from a prior year.
- 3. New Market Civic Partnership [\$2,000]** — The Civic Partnership serves as the Town’s community development corporation. We have budgeted \$2,000 to help cover their insurance and administrative costs.
- 4. Tap Fee Assistance Program [\$52,511]** — This program helps businesses connect to Frederick County water service. One project has been completed, leaving \$52,511 available for FY27.²¹
- 5. Economic Development Grant Expenditures²² [\$75,000]** — Reimbursable façade grants - Community Legacy Grant (CLG-26) – Residential properties [\$50,000] and Maryland Façade Improvement Program (MFIP-26) – Commercial properties [\$25,000].

²¹ This program was originally developed and appropriated in FY22.

²² There is no Operational Assistance Grant (MIP) or Frederick County Tourism TRIPP Grant in FY26 as the Main Street program is suspended for fiscal year 2026.

Capital Improvement Program (CIP)

The Town of New Market remains debt-free and operates using a single General Fund. Capital projects are funded through current revenues, fund balance, and grants. CIP projects focus on enhancing the Town's infrastructure or repairing fixed assets to extend or maintain their lifespan. For FY27, the CIP totals **\$857,725**. This represents a significant decrease from FY26 as the Town completes several major projects and shifts focus toward sustainable operations and maintenance and long-term infrastructure planning.

Major FY27 Projects

- Renovations to 90 W Main Street (first floor reconfiguration for Town Hall use, roof replacement, and Phase 1 parking lot improvements)
- Parkland acquisition (soccer fields at The Orchard) and Messanelle Park upgrades
- South Alley parking lot expansion at the Community Park
- Final closeout work on the Community Park Pavilion

CIP Grant Funding

The Town has secured approximately \$590,600 in capital grant funding for FY27, including:

- \$392,000 Local Bond Initiative for 90 W Main Street
- \$198,600 in Project Open Space grants

Longer-Term Outlook

We have identified major projects for FY28–FY32, including road resurfacing in Brinkley Manor and The Orchard; Phase 2 parking improvements at 90 W Main Street and the 8th Alley parking lot; and a new connector road with a multi-use trail.

Looking further ahead, the Town has identified long-term infrastructure needs totaling approximately \$24.2 million over the next several decades. Addressing these needs will require setting aside roughly \$622,745 annually to maintain roads, drainage systems, buildings, and parks without incurring debt.

The projected unassigned fund balance at the end of FY26 is \$4,696,051. While this balance decreased due to recent capital investments, maintaining adequate reserves remains a priority to support these long-term obligations.

Completed CIP Projects in FY26

Feasibility Study for 39 W. Main [\$11,900] — This study assessed the condition of the former Town Hall and provided recommendations for potential community use. It was completed in January 2026. The planned study for 40 South Alley was suspended after the decision to move Town offices to 90 W Main Street.

Road Projects-FY26 [\$105,028] — Only one road project, resurfacing Wicomico Court, was completed in FY26. The completed project came in approximately \$70,000 under budget.

CIP Projects for FY27 [\$857,725]

General Government CIP Projects [\$561,556]

- **1st Floor Renovations, 90 W Main Street [434,519]** — Includes layout changes for Town Hall use, ADA improvements, and safety repairs. A \$392,000 grant will cover most of the cost.
- **Roof Replacement, 90 W Main Street [\$100,000]** — A full roof replacement.
- **Parking Lot – Phase 1, 90 W Main Street [\$27,037]** — Phase 1 includes crack filling, seal coating, and paint marking for a portion of the parking lot

Public Works CIP Projects [\$8,552]

- **Parking Study [\$8,552]** — Engineering work that may support future Phase 2 Parking Lot improvements for 90 W Main Street.

Parks and Recreation CIP Projects [\$287,617]

- **Acquisition for Park Land (POS) [\$163,500]** — For the purchase of the soccer fields at The Orchard. This grant does not require matching funds.
- **Messanelle Park Renovations (POS) [\$39,000]** — This is the project cost estimate to renovate Messanelle Park, including connecting to public water and other upgrades. This grant requires a \$3,900 match.
- **Messanelle Park Survey and Engineering for Easement [\$10,000]** — This covers the survey and engineering required to create an easement clarifying water access between the park and the adjacent property.
- **South Alley Parking Lot Expansion at Community Park [\$66,117]** — This is a placeholder for a potential expansion of the South Alley Parking Lot at Community Park. The amount is based on projections from a previous POS submission that was not awarded to the Town.
- **New Market Community Park Pavilion [\$9,000]** — The original budget was \$475,000, including \$425,000 for the Pavilion and \$50,000 for restrooms. It was advertised in FY25, with a winning bid of \$479,000, excluding permits. The bid included \$100,420 for contingency and upgrades. Total project cost through FY26 is \$753,515.²³

Maryland awarded \$240,000 via the LPPI program, along with two \$50,000 Local Bond Initiatives grants and a \$100,000 CPP grant. The Council allocated \$40,000 in ARPA funds. The pavilion will be completed by May 2026, with expenses reimbursed by year's end.

For FY27, \$9,000 is reserved for punch-list reviews and closeout.

²³ See chart on following page for more details.

Open-Air Pavilion Project

Category	Original CIP Amount	Final Projected Total for Project*	Amount Spent to Date FY26	Amt. Remaining FOR FY26	GRAND TOTAL	DIFF ON PROJECT
Architectural Fees	\$ 23,400	\$ 16,200	\$ 15,300	\$ 900	\$ 16,200	\$ (7,200)
Design/Civil Site	\$ 58,400	\$ 58,400	\$ 58,400	\$ -	\$ 58,400	\$ -
Permitting/W&S	\$ 37,151	\$ 33,816	\$ 33,816	\$ -	\$ 33,816	\$ (3,335)
Const Management	\$ 15,000	\$ 39,202	\$ 33,702	\$ 5,500	\$ 39,202	\$ 24,202
Site Work/Coconstruction	\$ 579,000	\$ 598,032	\$ 528,360	\$ 69,672	\$ 598,032	\$ 19,032
Security System		\$ 7,865		\$ 7,865	\$ 7,865	\$ 7,865
Total*	\$ 712,951	\$ 753,515	\$ 669,578	\$ 83,937	\$ 753,515	\$ 40,564

* Total includes the amount projected through FY26. Additional funds that may be required for construction monitoring and project close-out are not included in this chart.

CIP Future Projects

Fiscal Year 28 – Fiscal Year 29 [\$1,238,313]

- **Town Hall Parking Lot – Phase Two [\$188,313]** — Phase 2 of the 90 W Main Street Parking Lot involves removing the existing pavement and installing a new full-depth paving section.
- **Road Projects [\$1,050,000]**
 - **Brinkley Manor [\$550,000]** — Mill and resurface all streets within the Brinkley Manor community. The cost estimate is \$550,000, including construction monitoring.
 - **The Orchard [\$500,000]** — Mill and resurface all streets within The Orchard community. The cost estimate is \$500,000, including construction monitoring.

Fiscal Year 30 – Fiscal Year 32 [\$675,000]

- **8th Alley Parking Lot – [\$75,000]** — Reconfigure the 8th Alley cul-de-sac into a parking lot and full-depth pavement rehabilitation.
- **Connector Road – Parkway to LOUYAA [\$600,000]** — This is for the construction of auxiliary turn lanes on the New Market Parkway, a two-lane road connecting the Parkway to the northern limit of the existing LOUYAA parking lot, and a 12-foot-wide multi-use concrete trail along the edge of the roadway.

Long-Term Infrastructure Planning

In addition to the near-term projects, the Town has developed placeholder estimates for long-term infrastructure needs totaling \$24,165,061²⁴ (in present-value dollars) from Fiscal Year 33 through Fiscal Year 77. These figures are intended to guide future Town Councils in planning for the replacement and major maintenance of public assets over time.

²⁴ Roads: \$10,179,677; Road Shoulders: \$7,016,937; Storm Drains: \$4,326,938; Building & Park Improvements: \$2,641,509.

Appendix A – 2026 Constant Yield Tax Rate Certification

State of Maryland

Department of Assessments and Taxation

February 14, 2026

2026 Constant Yield Tax Rate Certification

Taxing authority: **New Market
in Frederick County**

1	1-Jul-2025	Gross assessable real property base	\$	295,235,206
2	1-Jul-2025	Homestead Tax Credit	-	12,001,178
3	1-Jul-2025	Net assessable real property base		283,234,028
4	1-Jul-2025	Actual local tax rate (per \$100)	x	0.1200
5	1-Jul-2025	Potential revenue	\$	339,881
6	1-Jul-2026	Estimated assessable base	\$	319,367,794
7	1-Jan-2026	Half year new construction	-	0
8	1-Jul-2026	Estimated full year new construction*	-	0
9	1-Jul-2026	Estimated abatements and deletions**	-	19,172,896
10	1-Jul-2026	Net assessable real property base	\$	300,194,898
11	1-Jul-2025	Potential revenue	\$	339,881
12	1-Jul-2026	Net assessable real property base	+	300,194,898
13	1-Jul-2026	Constant yield tax rate ***	\$	0.1132

Certified by



Director

* Includes one-quarter year new construction where applicable.

**Actual + estimated as of July 1, 2026, including Homestead Tax Credit.

*** Constant yield tax rate included as a courtesy, along with the assessment data that SDAT is required to provide per Tax-Property Article § 2-205.

Form CYTR #1

Appendix B – HUR Letter – December 2025



Wes Moore
Governor
Aruna Miller
Lieutenant Governor
Samantha J. Biddle
Acting Secretary
William Pines, P.E.
Administrator

December 17, 2025



Ms. Debra J. Butler
Clerk-Treasurer
Town of New Market
P.O. Box 27
New Market, MD 21774

RE: Highway User Revenue Revised Estimates - Fiscal Years 2026 and 2027

Dear Ms. Butler:

The Maryland Department of Transportation has revised the estimated Highway User Revenues (HUR) for Fiscal Year 2026 and Fiscal Year 2027. This revision was based on an updated revenue forecast.

The revised HUR estimates for Town of New Market for Fiscal Years 2026 and 2027 are \$125,118.11 and \$125,178.51, respectively. Please note that these estimates are based on the most recent registration and mileage data on file. If a change to this data is anticipated for Fiscal Year 2027, you may want to adjust your internal HUR estimate accordingly.

Please note that legislation enacted during the 2018 Session of the Maryland General Assembly altered the manner in which the State provides highway user revenues to localities. Beginning in FY 2020, these funds will be provided through capital transportation grants instead of providing a portion of the Gasoline Motor Vehicle Revenue Account (GMVRA) revenues. The distribution methodology based on registrations and lane miles remains the same.

If you have any questions or require further assistance, please feel free to contact John Hayford at (410) 545-5535 or me at (410) 545-5507.

Sincerely,

Jerin Scott, Manager
Accounting Operations Division
Office of Finance

Cc: Shirley Kou, MDOT TSO
Okey I. Odinammadu, MDOT SHA
John Hayford, MDOT SHA

Appendix C – Road Mileage

Location	Year Accepted	LF	Miles
HISTORIC DISTRICT - ALLEYS			
Emory	1793	370	0.070
Second	1793	370	0.070
First	1793	370	0.070
Fifth	1793	370	0.070
Strawberry	1793	370	0.070
N Federal	1793	370	0.070
S Federal	1793	370	0.070
Eighth	1793	530	0.100
Seventh	1793	370	0.070
Sixth	1793	370	0.070
Fourth	1793	370	0.070
Third	1793	370	0.070
North	1793	1795	0.340
South	1793	1740	0.330
Bye	1793	635	0.120
	Total	8770	1.661
PARKING LOTS			
South Alley Parking Lot	2012	165	0.031
Town Hall Parking Lot	2023	200	0.038
5TH Alley Parking Lot	2023	108	0.020
90 W. Main Parking Lot	2026	750	0.142
	Total	1223	0.232
SPONSELLER'S			
Royal Oaks Drive		1215	0.230
Dorchester Drive		790	0.150
Wicomico Drive		1010	0.191
Wicomico Court		950	0.180
	Total	3965	0.751
ROYAL OAKS			
Nicholas Hall Street	2023	1081	0.205
Nicholas Hall Street	2014	358	0.068
Poultney Place	2014	886	0.168
Quaker Way	2014	924	0.175
William Plummer Street	2014	1316	0.249
Issac Russell Street	2023	2166	0.410
Dorceys Chance (south)	2023	516	0.098
Dorceys Chance (north)	2023	425	0.080
Richard Roberts Street	2023	808	0.153
	Total	8480	1.606

Appendix C – Road Mileage (continued)

Location	Year Accepted	LF	Miles
THE ORCHARD			
East Wainscot Drive	2016	1511	0.286
Orchard Crest Circle	2010/15	1632	0.309
Gala Way	2010	338	0.064
Spring Blossom Lane	2010	412	0.078
Wild Cherry Terrace	2010	304	0.058
Harvest Terrace	2015	585	0.111
Country Squire Way	2015	248	0.047
Hatties Lane	2015	222	0.042
Orchard Spring Way	2016	746	0.141
Mackintosh Road	2016	234	0.044
Cider Press Circle	2016	203	0.038
	Total	6435	1.219
BRINKLEY MANOR			
Burgess Street	2016	570	0.108
E. Wainscot Drive	2016	1455	0.276
Marley Street	2016	1498	0.284
Prosser Street	2016	593	0.112
Plummer Street	2016	224	0.042
Sewell Drive	2016	881	0.167
Tailor Street	2016	305	0.058
	Total	5526	1.047
Main Street (MD 144FB)	2018	5861	1.110
Prospect Street (MD 874D)	2018	405	0.077
Old New Market Road	2023 (maint only)	3749	0.710
	Total	10015	1.897
	Total Town Roadways	44414	8.412