

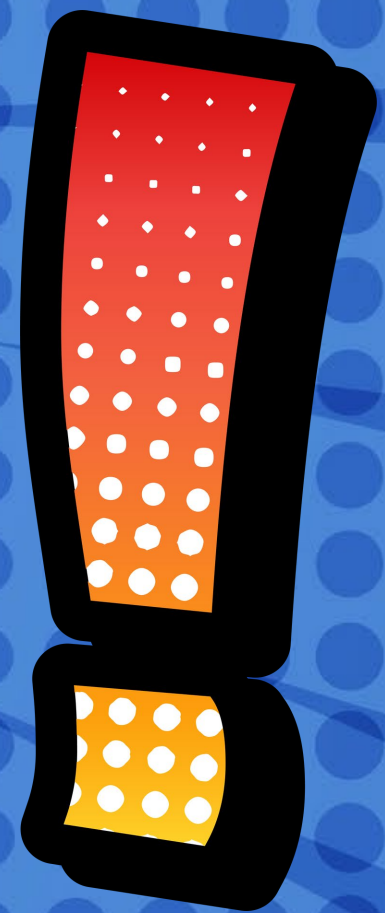


# FY 2026 Budget Introduction Session #3



# Topics for Tonight

- Structural Budget Issues
- Possible Cost Savings
- Updated Revenue Estimates
- Next Steps
- Additional Information





# Structural Budget Overview





# Structural Issues

The Town of Bladensburg is facing a budget shortfall this year and will continue through FY26.

## Reasons Loss of Revenues

- **ARPA** funding expired
  - ARPA offset compensation costs of \$526K in FY23 and \$668K in FY24. Our General Fund is now funding this and this is a cost shift.
- **Speed Camera Revenues Shortfalls**
  - **We are** trending behind what was projected this year. We are reducing reliance on these funds next budget year and moving positions to the General Fund.



# Structural Issues

## Expense Increases

Compensation – Regular pay, Overtime, FICA, and Pension costs have doubled since FY21 from \$3.3M to \$6.6M in FY26.

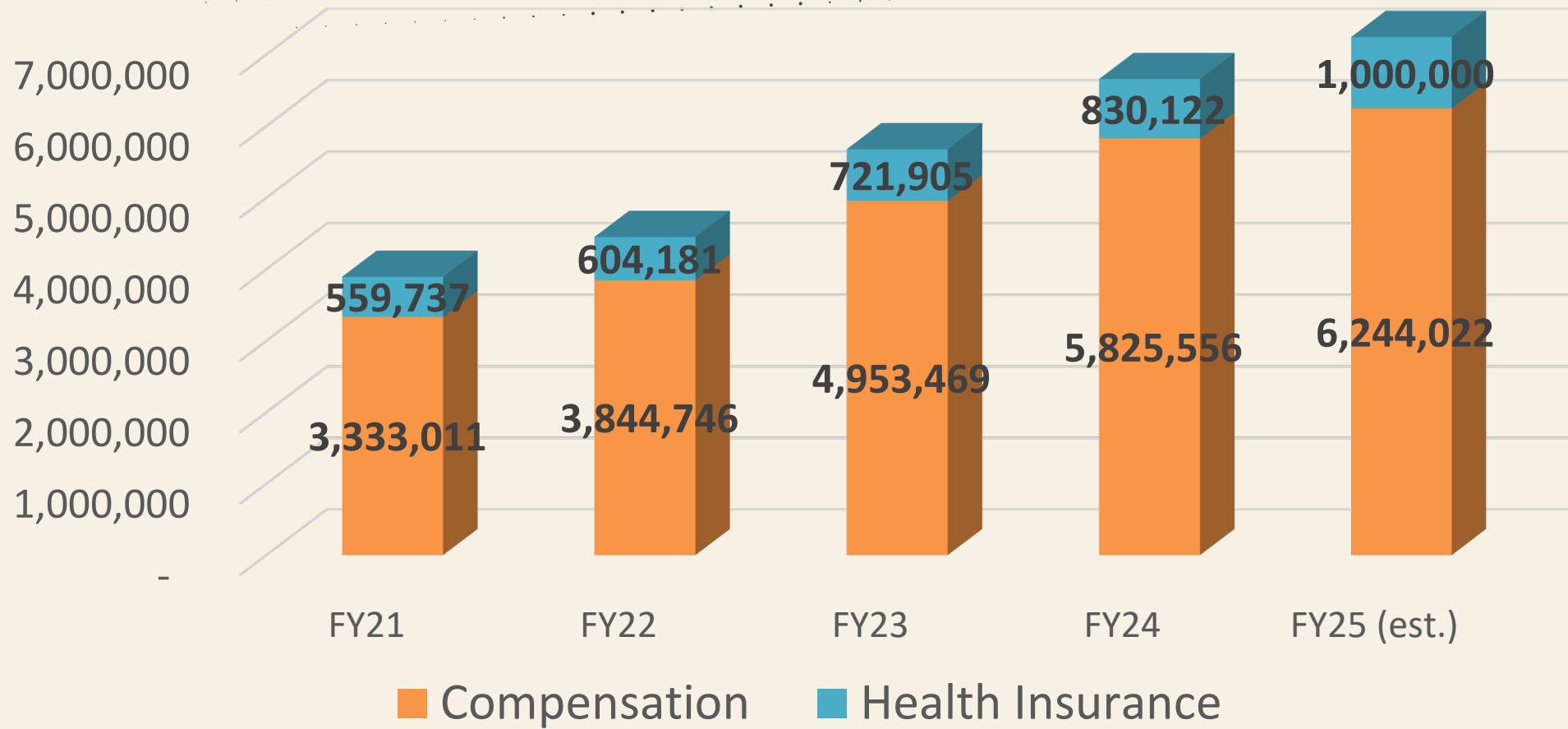
Health Insurance - increased an average of 17% per year, doubled since FY21.

Actual plan increases have been minimal, but the majority of increases have been due to hiring additional staff and changes in plan selections by employees.



# Structural Issues

Payroll Costs have almost doubled in 5 years

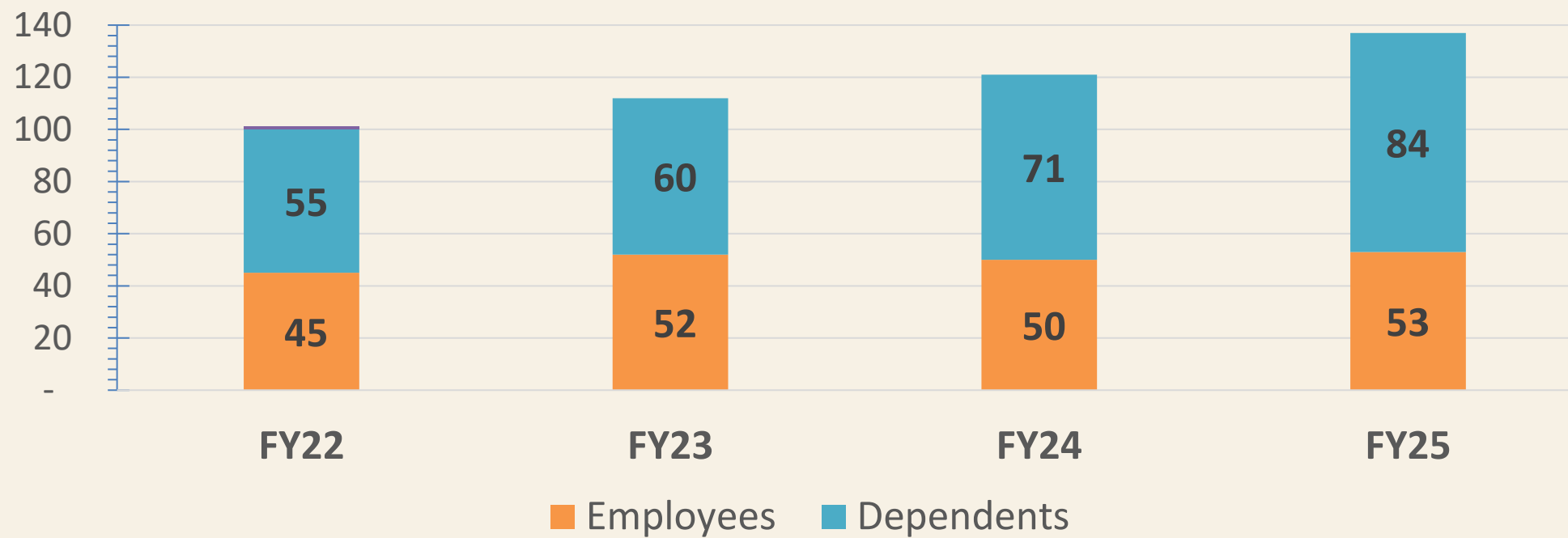




# Structural Issues

## Health Insurance Enrollment Increases

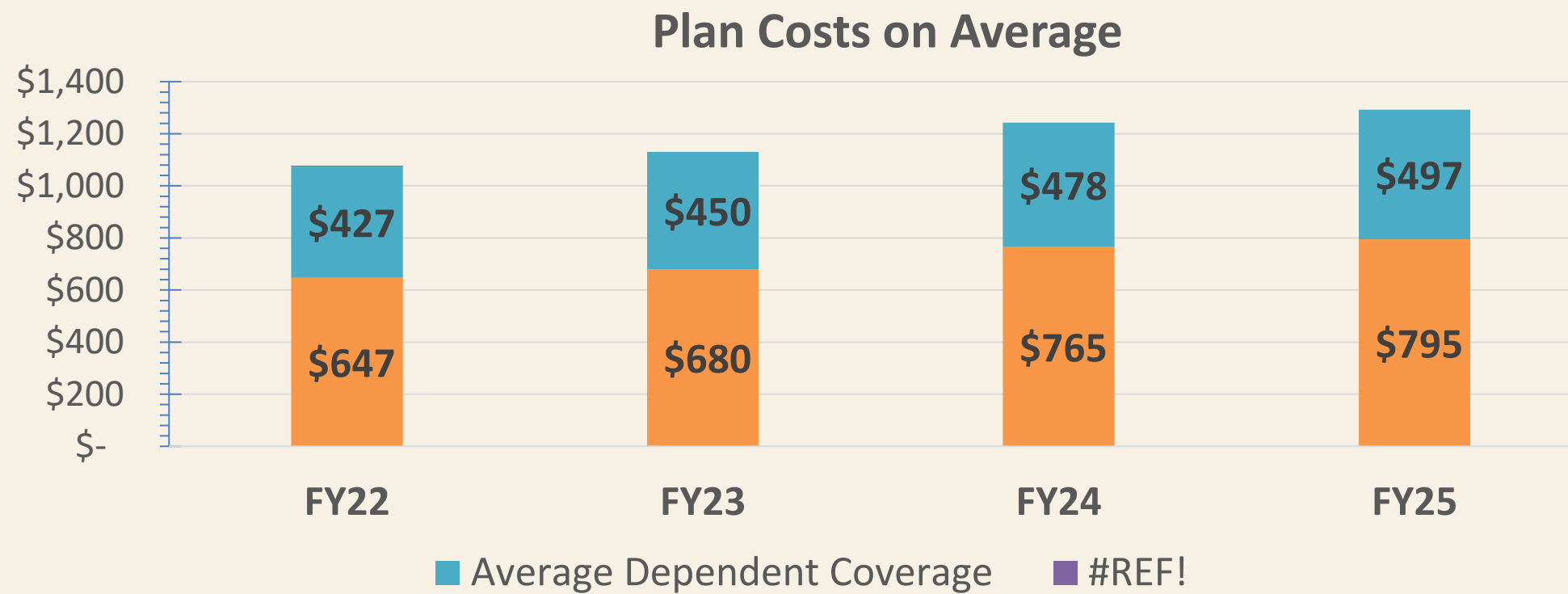
Enrolled Coverages by Year





# Structural Issues

## Health Insurance Cost Increases







# Structural Issues

## Expense Increases (cont.)

- Fuel costs | Our costs have doubled since FY21 from \$75K to over \$150K. We added more officers and take-home vehicles to the fleet.
- Workers Compensation Insurance | This has doubled from FY21 of \$160K to \$320K
- Staff Additions | The expansion of Public Safety and Public Works staffing and compensation increases, along with past claims history, have driven up these costs.
- Consultants Costs | The costs and services have quadrupled since FY21, from \$63K to \$245K, as we contract with outside experts.



# Current Revenue and Cost Saving Items



# Current Revenue Estimates



## Real Estate Taxes

- Residential and Commercial Assessed values increasing 4% to \$418M.
- Current tax rate of \$.74 results in revenues of \$3.1M.
- Estimated \$120K increase in revenues as compared to FY25.

## Apartments and multi-unit housing

- Residential and Commercial Assessed values increasing 4% to \$206M.
- Current tax rate of \$.80 results in revenues of \$1.65M.
- Estimated \$65K increase in revenues as compared to FY25.

## Other Revenue Items

- Slight increase of 5% in Highway User Funds.
- Reduced projected revenues generated by Automated Traffic Enforcement by \$1M.



# Possible Cost Savings

## Possible Cost Saving Measures for FY26 Budget

- A complete freeze on vacant positions until December 2026
- Limited to No COLA increase and Merit increases
- Possible changes to work schedules and hours for Administrative Positions (Public Safety and Public Works excluded)
- Overall reductions to discretionary spending
- No new Capital Purchases
  - The Council could evaluate capital purchases mid-year (December 2026), if the budget situation improves, we can add these to the budget related to public safety.



# What to expect next?

- Review of Possible Revenue options
- Review of Estimated Cost Saving
- Review of Administration Budget
  - Finance
  - Town Clerk
  - Town Administrator

# Next Steps



## Budget Sessions:

Throughout March – May  
2025

Next Session | March 18,  
2025

**Budget Ordinance: First  
Reading: Regular Meeting –  
April 14, 2025**

## If there are changes to the Real Estate Tax Rate:

- Need at least one week to  
advertise for a hearing
- The earliest advertisement date  
would be April 7, 2025, or May 5,  
2025

## Tax Rate Hearing (Tentative)

- Week of April 14, 2025, or
- May 12, 2025, Budget Session

**Final Budget Session #5**  
Monday, April 29, 2025  
(if needed)

## Final Budget Adoption

Monday, May 12, 2025.  
Alternative Budget Adoption  
date, Monday, June 9, 2025.

- Budget Ordinance Adoption

Thank You

