

Town Budget Session #3

May 20, 2024

Special Town Council Meeting

Michelle Bailey Hedgepeth, Town Administrator

Vito Tinelli, Town Treasurer



Agenda

- What have we heard from the Council in Session 1, 2, and 3
- Budget Assumptions
- Review of Public Works Budget
- FY 2025 Budget Summary Page
- Revenue Options
- Other Needs



What have we heard from the Council in Session 1

Future use of remaining ARPA Funds for Projects

- Use of remaining funds for long-lasting projects

Council Items Budget Items

- Need for additional funding for Council Business Development and Membership Dues
- Additional Funding for Community Events
 - More Coordination between Town and Police Events
- Addition of Funding for Community Youth Sports / Boys and Girls Club
- Funding for Community Assistance (Food) through ARPA

What have we heard from the Council in Session 2

Changes to Budget Line Items

- Updates will be provided to specific items noted by the Council
 - Port Town Transportation Service
 - Vehicle and Equipment Replacement Fund (VERF)

Revenue Items

- PROPOSED: TAX RATES FISCAL YEAR 2025 RAILROAD AND PUBLIC UTILITY TAX
- PROPOSED: Tax Rates Increases for Apartments in the Town
 - Need input on amount for advertising.

What have we heard from the Council in Session 3

Application of remaining \$250,000 of ARPA Funds

- Community Initiatives (examples include):
 - Green Initiatives - \$25,000
 - Senior Programing - \$25,000
 - Boys/Girls Club - \$25,000
- Food Assistance - \$30,000
- Business Development / Redevelopment - \$75,000
- Unapplied funds TBD and expended by December 31, 2024 - \$70,000

Revenue Items

- PROPOSED: TAX RATES FISCAL YEAR 2025 RAILROAD AND PUBLIC UTILITY TAX
- PROPOSED: Tax Rates Increases for Apartments in the Town
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Budget Assumptions

Compensation Increases

- COLA and Merit of 4.5% included

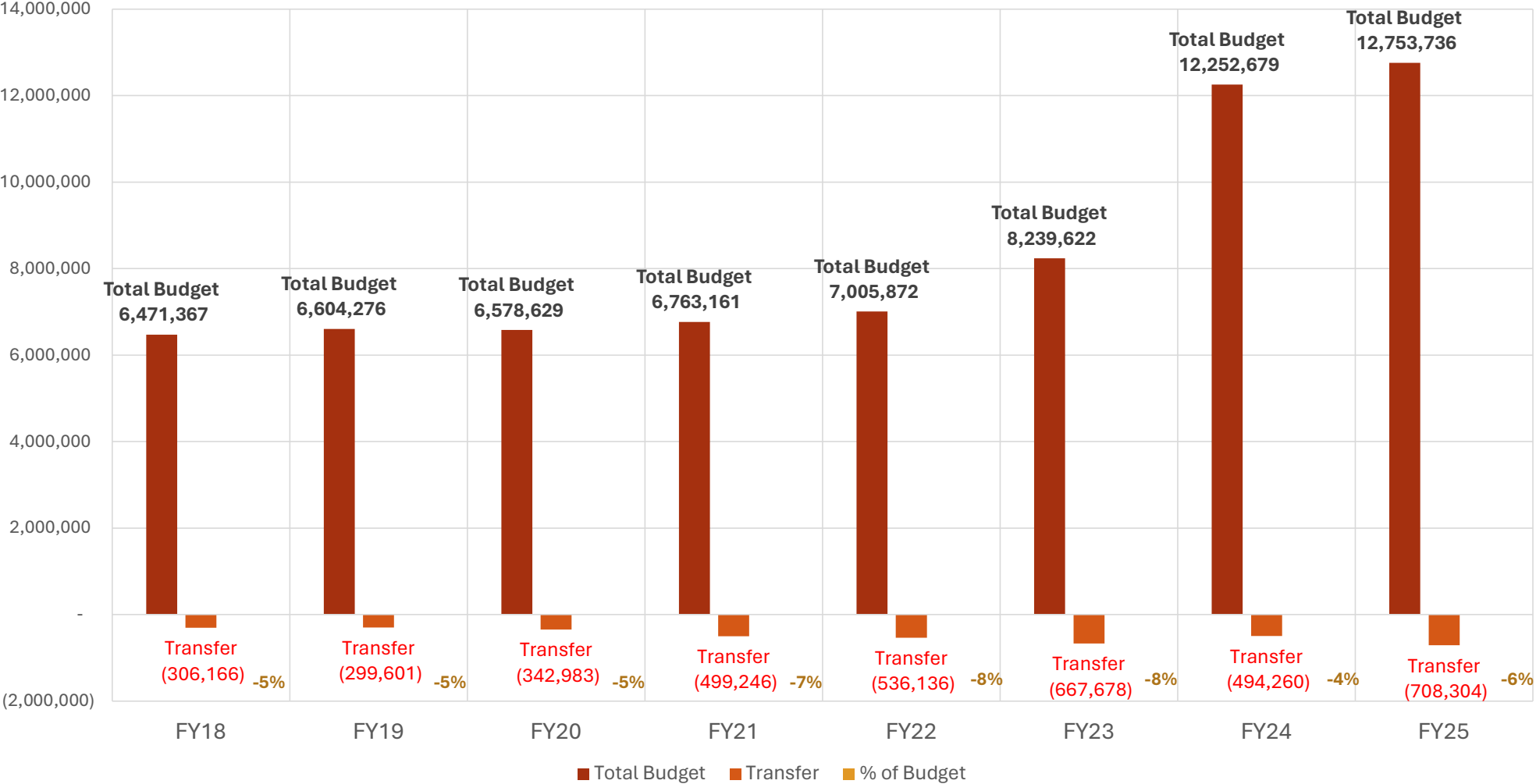
Capital Projects

- \$2.2M of Total Capital Projects to be Completed
 - \$1M of Federal Earmark towards Trade School
 - \$800K State Bond Bill Usage for Construction of New Town Hall
 - \$400K of State Bond Bill Usage for Bostwick

Transfer from Fund Balance

- (\$708,304) transfer from Fund Balance or 6% needed to balance budget
- Have previously utilized between 4% and 8% of Fund Balance transfers to balance budget

Budgeted Fund Balance Transfers



Public Works

Staffing - \$624,518

- 1 Public Works Supervisor
- 5 PW Workers
- 1 Part-Time PW
- 7 Total Employees
 - Does not include ARPA funding which is \$44,974 this year

Key Expenses

- Waste Services- \$250,000
- Utilities - \$28,000
- Lighting - \$50,000
- Grounds Maintenance - \$30,000
- Building Maintenance - \$50,000
- Janitorial Expenses - \$30,00
- Fuel and Vehicle Maintenance - \$40,000
- Highway User Projects - \$150,00
- Other - \$52,000

Total: \$1,304,518

**Town of Bladensburg
FY25 Draft Budget**

	<u>FY23 Budget</u>	<u>FY24 Budget</u>	<u>FY25 Budget</u>	% of Total	Inc. over FY24
REVENUES					
Real Estate Taxes	4,044,062	4,179,813	4,440,810	35%	6%
Business Personal Property Taxes	775,000	1,045,000	1,075,000	8%	3%
Income Tax	600,000	600,000	650,000	5%	8%
Other Local Taxes	32,000	40,000	20,000	0%	-50%
Licenses and Permits	210,000	205,000	215,000	2%	5%
Federal Funding	2,378,117	2,438,133	1,250,000	10%	-49%
State Funding	374,026	735,200	1,827,766	14%	149%
County Funding	24,856	24,856	24,856	0%	0%
Service Charges	1,453,750	1,312,418	2,081,000	16%	59%
Other Revenues	90,000	193,000	351,000	3%	82%
Grants	-	300,000	110,000	1%	-63%
Transfer from Speed Camera Fund Bal.		684,999			-100%
Transfer from Fund Balance	495,234	494,260	708,304	6%	43%
TOTAL REVENUES	10,477,045	12,252,679	12,753,736	100%	4%
EXPENDITURES BY DEPARTMENT					
Mayor and Council	262,635	289,426	323,510	3%	12%
Town Administrator	189,035	437,743	455,943	4%	4%
Clerk	319,298	347,903	404,266	3%	16%
Finance	425,087	420,934	397,295	3%	-6%
Subtotal Administration	1,196,055	1,496,006	1,581,014	12%	6%
Public Safety / Traffic Enforcement	6,291,603	7,181,931	7,308,204	57%	2%
Public Works	1,071,100	1,328,742	1,304,518	10%	-2%
ARPA (other than full time compensation)	1,918,287	1,646,000	250,000	2%	-85%
Grants - Restricted	-	300,000	110,000	1%	-63%
Capital Projects - Federal/State Funds		300,000	2,200,000	17%	633%
TOTAL EXPENDITURES	10,477,045	12,252,679	12,753,736	100%	4%
Surplus/(Deficit)	-	-	-		



Revenue Items to Consider



PROPOSED: TAX RATES FISCAL YEAR 2025 RAILROAD AND PUBLIC UTILITY TAX

What is the RAILROAD AND PUBLIC UTILITY TAX? In the State of Maryland, Public Utilities are regulated as “public service companies.” The Railroad and Public Utility assessments are certified by the Department of Assessments and Taxation, State of Maryland. The Public Utility and railroad property include all property needed to operate the business in the Town. It includes real property, such as lands and buildings. It also includes personal property such as telephone or electric poles, towers, lines, cables, meters, transmission, distribution mains, and other equipment used to operate the utility.

Current Rate: 2.09 per \$100 of Assessed valuation

Proposed Rate: 2.75 per \$100 of Assessed valuation



PROPOSED: Tax Rates Increases for Apartments in the Town

What does this mean? A real property tax is a local tax on the value of real estate. The property owner will receive a property tax bill each year. The property tax bills for the residents of the Town of Bladensburg are issued in July / August of each year by Prince George's County. The tax bill amount is determined by two factors: (1) the assessments and (2) the property taxes.

Currently, the overall Residential Tax Rate is \$0.74 per \$100 of assessed value.

All other residential areas would remain at \$0.74 per \$100 of assessed value.

Proposed Apartment Tax Rates: \$0.80 or 0.85

Revenue Items

Increase Utilities and Railroads Business Tax:

- Increasing Business Personal Property Tax on Utilities and Railroads from \$2.09 to \$2.75 per \$100
- Total potential increase: \$74,637
- Requires only a **Mayor and Council Action**

Increase Real Estate Tax for Apartments:

- **Option 1** - Increasing real estate tax rate from \$.74 per \$100 to \$.80 per \$100
- Total potential increase: \$118,534
 - *(average of \$34 annual increase per apartment)*
- **Option 2** - Increasing real estate tax rate from \$.74 per \$100 to \$.85 per \$100
- Total potential increase: \$217,312
 - *(average of \$62 annual increase per apartment)*
- Requires a **Mayor and Council Action and a Constant Yield Hearing**

Other Needs



Public Safety Vehicles and VERT -
\$200,000



Public Safety Rental Space - \$ 50,000
(recurring \$35,000)



Public Works Director - \$120,000 annually



Community Projects –
Remaining ARPA Funds

Next Steps

