

FY 2026 Budget Session #6

April 14, 2025



Topics for Tonight

- Introduction and Overview
- Cost Savings and Revenue Items
- Proposed Tax Rate Options
- Next Steps



Introduction

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

Reasons | Loss of Revenues:

- ARPA funding is no longer available to fund some items
- Traffic Enforcement revenue shortfalls, which have resulted in more reliance on General Fund revenues by Public Safety <u>Reasons | Growing Expenditures:</u>
- Most of the Town expenditures are related to personnel and services
 - Expenses for services and staffing have grown since FY 21
 - Expenses related to commodities have increased
 - Insurance costs have also risen sharply over the same period of time.

General Information

Saving Measures for FY26 Budget

- A freeze on vacant positions until June 2026 (excluding essential positions)
- Limited to No COLA increases and Merit increases for staff
- 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 2025), if the budget situation improves, we can add these to the budget related to public safety.

Savings and Revenue

The Town of Bladensburg staff has developed a few scenarios that will do the following:

- Cut town expenditures on discretionary and non grant funded Capital projects.
- Increase the employee contributions to healthcare costs and take-home vehicles
- Freeze and decrease overall personnel spending
- Keep residential (Homeowners) taxes at the same rate (not changed in over 13 years)

Revenue Increases will occur by implementing the following:

- Raise Tax rates for Commercial and Industrial properties (last changed in over 13 years ago)
- Raise Tax rates for Apartment
- Increase Business License Fee (last changes in 2017)
- Changes to Utility and Personal Property taxes

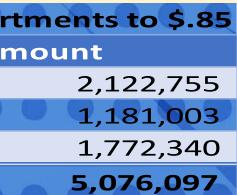
Tax Rate Options

Currently Budgeted

Residential no change, Increase Commercial and Apartments to \$.82							
Property Assessments	Assessments	Rate	Amount				
Residential @ \$.74	286,858,732	0.74%	2,122,755				
Commercial @\$.82	138,941,533	0.82%	1,139,321				
Apartments @ \$.82	208,510,566	0.85%	1,772,340				
	634,310,831		5,034,415				

	Option A						
	Increase Commercial to \$.80, and Apartments to \$.85						
	Property Assessments	Assessments	Rate	Amount			
	Residential @ \$.74	286,858,732	0.74%	2,122,755			
	Commercial @\$.80	138,941,533	0.80%	1,111,532			
	Apartments @ \$.85	208,510,566	0.85%	1,772,340			
	0000000	634,310,831		5,006,627			
	6						
2	Option B						
	Residential no change, In	crease Comme	ercial and A	partments to \$.85			
	Property Assessments	Assessments	Rate	Amount			
	Residential @ \$.74	286,858,732	0.74%	2,122,755			
	Commercial @\$.85	138,941,533	0.85%	1,181,003			
	Apartments @ \$.85	208,510,566	0.85%	1,772,340			
		634,310,831		5,076,097			







What to expect next?

- Finalization of Revenue options
- Updated Estimated Cost Saving
- Review of overall budget
- Tax Rate Hearing
- Budget Ordinance





Budget Sessions:

Held throughout | March – May 2025

Next Session | April 29, 2025

Final Budget Session April 29, 2025

Final Budget Session #7 Monday, April 29, 2025 (if needed)

Tax Rate Hearing May 12, 2025 **Council Meeting**



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

- Need at least one week to advertise for a hearing
- Any proposals have been included in meeting materials

Ordinance Approval Process

- Ordinance Budget Monday, May 12, 2025. Budget
- Adoption date, Monday, June 9, 2025.

Thank You !



