



Agenda Item Summary Report

Meeting Date:
March 16, 2026

Submitted by:
Michelle Bailey Hedgepeth, Town Administrator
Vito Tinelli, Town Treasurer

Resolution 17-2026 | A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF BLADENSBURG AUTHORIZING A ONE-TIME BONUS PAYMENT TO ELIGIBLE TOWN EMPLOYEES FOR FISCAL YEAR 2026.

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Work Session Item
Council Meeting Item

Documentation Attached:
Resolution

Recommended Action:

Staff recommends adoption and authorization for the Town Administrator and Town Treasurer to make one-time payments of \$ 1,500.00 per employee to 44 employees, not to exceed \$75,000.

Background

This item is presented for the Town Council’s review and consideration regarding the authorization of a one-time bonus payment for Town employees. In the FY2026 adopted budget, the Town did not implement a cost-of-living adjustment (COLA) or merit increase for employees. At the time, staff noted that the Town’s financial position could be revisited at mid-year to determine whether resources would allow the Town to provide some level of financial recognition to employees through a mid-year COLA, merit adjustment, or other form of compensation.

Following a review of the Town’s current financial position and the FY2026 budget performance to date, staff have determined that sufficient savings exist within the personnel line item to allow for a one-time payment to employees. These savings have accrued through personnel budget efficiencies during the fiscal year, and therefore, a budget amendment or transfer is not required. The Administration is not confident that at this time the Town can afford an percentage increase to the base pay of all employees due to compounding issues in FY 2027.

Proposed One-Time Bonus Structure

Staff recommends using these available funds to provide a one-time bonus payment to Town employees. The proposal allocates **an amount not to exceed \$75,000** to be distributed among **44 full-time Town employees**, excluding the Town Administrator, the Mayor, and members of the Town Council.

Under this proposal, each eligible employee would receive a **single payment of \$1,500**, issued as taxable earnings. The attached spreadsheet provides the full breakdown of eligible employees and the corresponding allocation amounts.

The Town Administrator is excluded from the distribution because any compensation adjustments or one-time payments for that position are determined directly by the Town Council in accordance with the employment contract.

Fiscal Considerations

The recommended approach uses **existing funds available within the FY2026 personnel budget, accumulated through** staffing savings during the fiscal year. Because these funds are already appropriated, implementation of this proposal **does not require a budget amendment or additional appropriation**. However, Council authorization is needed, which is why a resolution is being recommended.

Staff also evaluated whether a percentage-based COLA or merit increase could be implemented at this time. However, permanent salary adjustments would compound into future fiscal years and create additional long-term obligations. For example, even a modest 2% salary increase in FY2026 would carry forward into FY2027 and compound with any future COLA or merit adjustments, potentially increasing personnel costs by 5–6% over time. Based on current revenue projections and long-term fiscal planning considerations, staff determined that such recurring increases are not advisable at this time.

The one-time bonus structure allows the Town to recognize employees’ contributions while maintaining fiscal stability heading into the FY2027 budget cycle.

Rationale for a Flat One-Time Payment

The recommended approach provides **a uniform payment to all eligible employees**, ensuring equitable treatment across departments and positions. Whether an employee works in administration, public works, or public safety, each individual would receive the same amount. This structure promotes fairness and transparency while recognizing the collective contributions of the Town’s workforce.

Additionally, the one-time payment acknowledges the impact of rising living costs and provides employees with immediate financial relief. Staff believes this approach strikes a balance between fiscal prudence and demonstrating appreciation for employee dedication and service to the Town.

Council Action Requested

This item is presented as an **immediate action item** for the Town Council. The accompanying resolution authorizes the Town Administrator, in coordination with the Town Treasurer, to issue one-time bonus payments to eligible employees.

If approved, the payments would be issued as separate payroll disbursements during the **pay period ending March 21, 2026**, with a **pay date of March 26, 2026**, in a total amount not to exceed **\$75,000**.

This recommendation is jointly submitted by the **Town Administrator and the Town Treasurer** for the Council’s consideration. Approval of the resolution will authorize staff to implement the one-time employee bonus payments accordingly.

The Town Treasurer is available to answer any questions.

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| Budgeted Item: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA Budgeted Amount: Reallocation from Personnel line items – Budget Savings FY 2026 One-Time Cost: 75,000 Ongoing Cost: NA | Continued Date: |
| Council Priority: Yes <input type="checkbox"/> No <input type="checkbox"/> | Approved Date: |