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

Reasons | Growing Expenditures:

- 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
	634,310,831		**5,006,627**

Option B			
Residential no change, Increase Commercial and Apartments 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

Next Steps

Budget Sessions:

Held throughout| March – May 2025

Next Session | April 29, 2025

Final Budget Session

April 29, 2025

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

Final Budget Session #7
Monday, April 29, 2025

(if needed)

Tax Rate Hearing

May 12, 2025

Council Meeting

Ordinance Approval Process

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

Thank You !