

Town of Upper Marlboro Adopted Operating Budget

DRAFT



Fiscal Year 2024





TOWN OF UPPER MARLBORO ADOPTED OPERATING BUDGET FISCAL YEAR 2024

BOARD OF TOWN COMMISSIONERS

**THE HONORABLE SARAH FRANKLIN,
PRESIDENT / MAYOR
THOMAS HANCHETT**

CHARLES COLBERT



KAREN LOTT

A D M I N I S T R A T I O N

**KYLE SNYDER
TOWN ADMINISTRATOR**



**DAVID BURSE
POLICE CHIEF**

**JOHN HOATSON
TOWN CLERK**

**DARNELL BOND
PUBLIC WORKS**



TOWN STAFF

GENERAL GOVERNMENT
ADMINISTRATIVE ASSISTANT
LUCY WADE

BOOKEEPER / ADMIN ASSISTANT
CRYSTAL NELSON

EVENTS COORDINATOR
LISA ARMSTEAD

PUBLIC SAFETY
POLICE SERGEANT
SAM IRBY

POLICE CORPORAL
JOSEPH BROOKS

PRIVATE FIRST CLASS
TERRENCE ANDERSON

INVESTIGATIONS / DETECTIVE
SHERRON JOHNSON

CODE COMPLIANCE / PARKING
VICKIE STEWART

PUBLIC WORKS
FOREMAN
MATTHEW SCHECLES

CREW LEAD
MARCUS WASHINGTON

CREW MEMBERS
THERAN RAYNOR
TYLER STEWART

TOWN OF UPPER MARLBORO HISTORY

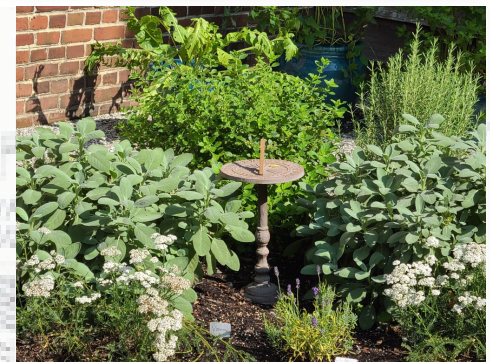


The Town of Upper Marlboro was founded on Piscataway lands. The Piscataway peoples continue to live in and around the land we now call Upper Marlboro. Around 1695, the Town was settled by colonial peoples and named after the first Duke of Marlborough. With the Western Branch still being navigable by boat, the Town was established as a port Town for the import and export of tobacco and enslaved labor among other commodities of the time. Prior to 1706 the area was known as "Colonel Belt's Landing". It was renamed to Marlborough in 1706, when the Maryland General Assembly officially chose it as a site for a new Town in the County. In 1721, Upper Marlboro became the seat of Prince George's County government when the courthouse was moved to the Town. Throughout the eighteenth century, Marlboro was the geographic and population center of the County. After the Town was seized by the British during the War of 1812, British Officers used the Dr. Beans home on Elm Street as their headquarters on the way to attack Washington D.C.



The Town became known as "Upper" Marlborough to distinguish it from the Calvert County "Lower" Marlborough. The name changed over time, possibly due to a postal clerk removing the "ugh" to fit the name on rubber stamp. Whatever the source, the Town began to be known as Upper Marlboro in 1893.

In 1927 Crain Highway officially opened. This road, which is now known as Old Crain Highway (and has been replaced by Rte. 301) created the first connection between Southern Maryland and Baltimore. In 1922, one hundred years ago this year, a monument was built to celebrate this connection.



During the Jim Crow era the Town was known as a "sundown town," a predominately white area that discriminated and inflicted violence against Black residents and visitors. Despite being home to the first school for African Americans in the County, Frederick Douglass Junior/Senior High School, the Town remained highly segregated. When the Civil Rights act of 1964 ended and the Town had to eliminate these laws, the community pool was filled in rather than de-segregated.



During this time and beyond the Town was also home to St. Mary's Beneficial Society. The Hall, located on Pratt Street and still standing today served as a meeting place, social and political center, and house of worship for the African American community of Upper Marlboro. This was surrounded by a thriving hub of economic and social life for African Americans in Upper Marlboro.

During the 19th and 20th centuries the Town played host to horse racing and later car racing at what is now the Showplace Arena and Equestrian Center. Upper Marlboro has been home to several prominent and influential sports stars, Maryland politicians, and clergy members. In 2018 the Town swore in first Black Elected Officials, Tonga Turner, and Wanda Leonard. Commissioner Turner was selected by the Board to serve as the Board's President and Town's first Black President / Mayor. This new board oversaw the Town's first expansion of its boundaries in 2020 to include the Annexation of the Show Place Arena.





EXISTING CONDITONS

Today Upper Marlboro is comprised of one square mile between Routes 4 and 202, between John Rodgers Boulevard and the Show Place Arena. The following map shows the current Town boundaries. The Town receives calls daily from residents outside the Town limits requesting assistance with community issues and concerns. Each time there is an election the Town receives phone calls from potential candidates just outside the boundaries of Town and has to turn away voters because they do not live in the Town limits. All of these indicators have caused the Town to look at annexation in order to provide much desired services to more people in Greater Upper Marlboro, and to expand its community and welcome in more neighbors.

According to the 2020 American Community Survey[1] the Town of Upper Marlboro is home to 652 residents who live in a total of 302 households. The median age for residents is 38.5 years old. The Town's racial makeup is predominately Black or African American, making up 60% of the Town's population. The table below shows a more detailed breakdown by race. Of all races 8% of residents identify as Hispanic or Latino.

The Town's median household income is \$92,500 and an employment rate of 77.8%. The Town has a low poverty rate (3.6%) compared to the state as a whole (9%). Most residents commute outside of Town, driving alone or in a carpool (78.3%). The most common industries that residents work in are educational services, and health care and social assistance (25.1%) and Public Administration (21.7%).

Most homes (45%) in Upper Marlboro have a value between \$200,000-\$300,000. Of the 308 housing units existing in Town, 285 are occupied. This leaves the Town with 92% of its housing occupied. The housing market has been tight of late and houses are sold in Town almost as quickly as they go on the market. While a portion of the houses that are unoccupied may be in transition, some of these 23 homes are simply not put on the market and are left vacant by absent property owners.

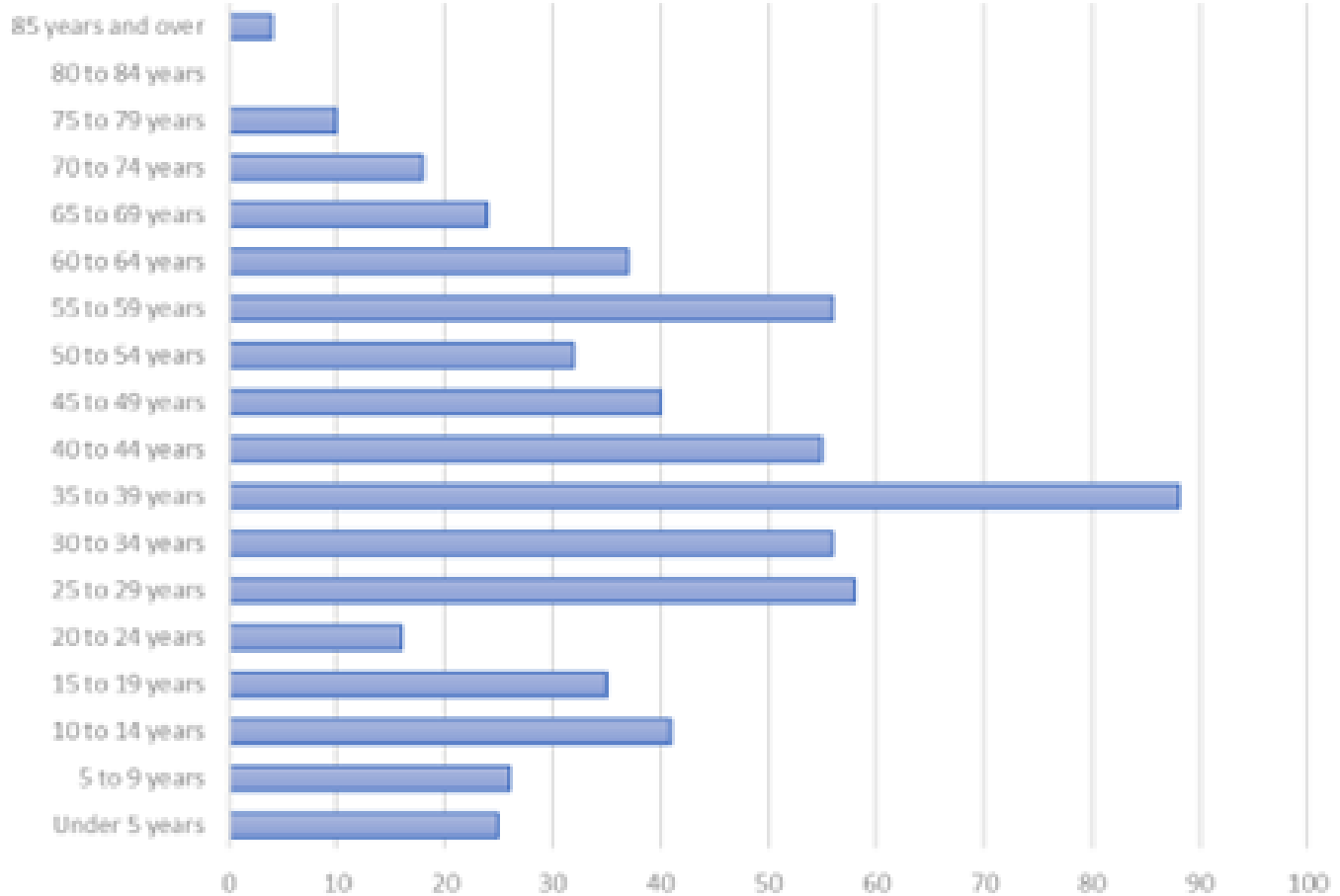
The Town notices a similar trend in commercial property. While there is demand for office and retail space downtown it is not always rented. These trends indicate a lack of investment in the community by absentee landlords. The Board of Commissioners to this end has determined to pursue a vacant property tax rate for commercial properties in Town.

[1] The American Community Survey uses statistical data to provide communities with a wide range of data about how a community lives. This helps identify social and economic needs more accurately.



EXISTING CONDITONS

Residents by Age





EXISTING CONDITONS

RESIDENTS BY RACE

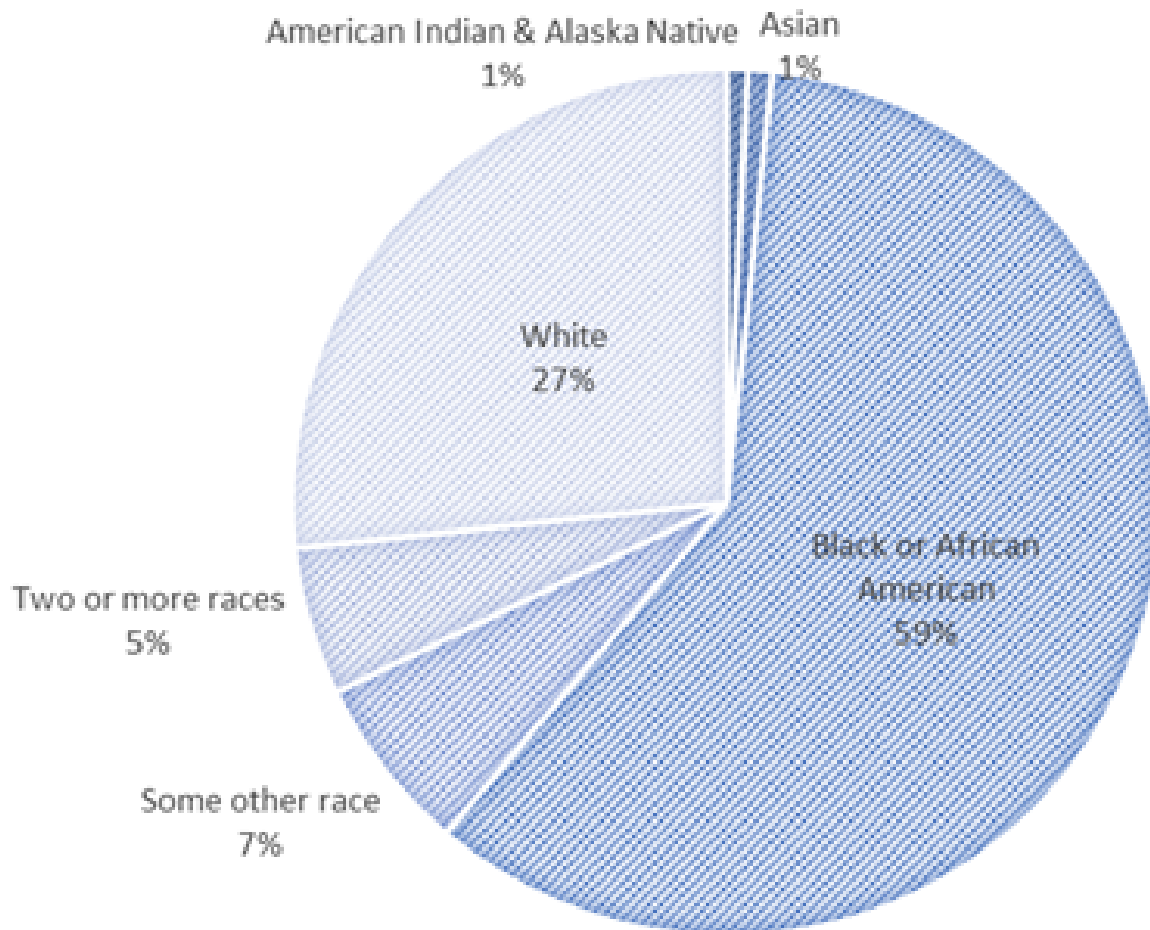




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Mayor's Message



TOWN OF UPPER MARLBORO
ADOPTED OPERATING BUDGET
FOR FISCAL YEAR 2024



Introduction



Introduction

Welcome to Fiscal Year 2024 Budget for the Town of Upper Marlboro!

Budgets are a PLAN for what projects will get done in the coming year. Here is where to find what you are looking for:

1. Background Data: We've got a summary of our Town's History and current Demographic Data.

2. Goals: Goals keep us focused and help us move in the right direction. You will find the goals set out by your elected officials on page _. This budget reflects spending that prioritizes meeting those goals.

3. How to use this document: Confused about the budget being a book? Head straight here to learn how to find all the information you need.

4. Operating Budget: The Operating Budget is the basic running and functioning of the Town. This section also includes information on the Town's revenue sources and how they are calculated. You can learn more about what this means as well as what it costs on pages _-_-.

5. Capital Improvement Plan (CIP): The CIP is where the Town accounts for large expenditures that are multi-year investments in the Town's future. This budget has items that have been funded as well as items that have not been funded but are still needs. This will help the Town plan for large expenditures such as road paving and vehicle replacement. Learn more about the investments that Town is making on pages _-_-.

6. Speed Camera Budget: Speed camera funds are restricted, and can only be used for specific purposes, and this must be clearly accounted for. Creating a separate budget for these revenues and expenses allows the Town to clearly comply with the regulations for these funds. You can find this budget on pages _-_-.

7. Citizen Engagement and FAQs: Throughout this process citizen participation was encouraged and questions and comments considered and incorporated into the document. Pages _-_- explain the process of involvement and provide direction on where to find answers to the questions that came up during the process.



Introduction

The Town's Operating Budget is an accounting of the revenues and expenses that allow for the running of a Town. The Town is responsible for creating a balanced budget. Upper Marlboro's FY 2024 operating budget is broken into the following sections:

Revenues – This section includes all sources of income that allow for the day-to-day operating of Town business. This includes taxes, fees, grants, Intergovernmental funds, and other money.

Expenses – These are broken down into the following five categories:

General Government Expenses – This section includes the expenses of the day-to-day operation of government administration. This includes the office of the Board of Commissioners and Town Administration. This department provides the basic services, advocacy, and oversight of the government.

Committee Expenses & Town Events – The Town has several committees that provide services including community building events, administration of grants and programs, community gardens, preservation of history, and the promotion of art and sustainability in Upper Marlboro.

Public Safety – The public safety department incorporates the Police Department and Code Compliance. This department works to keep the Town residents along with their homes safe by enforcing the laws of the state, county, and town.

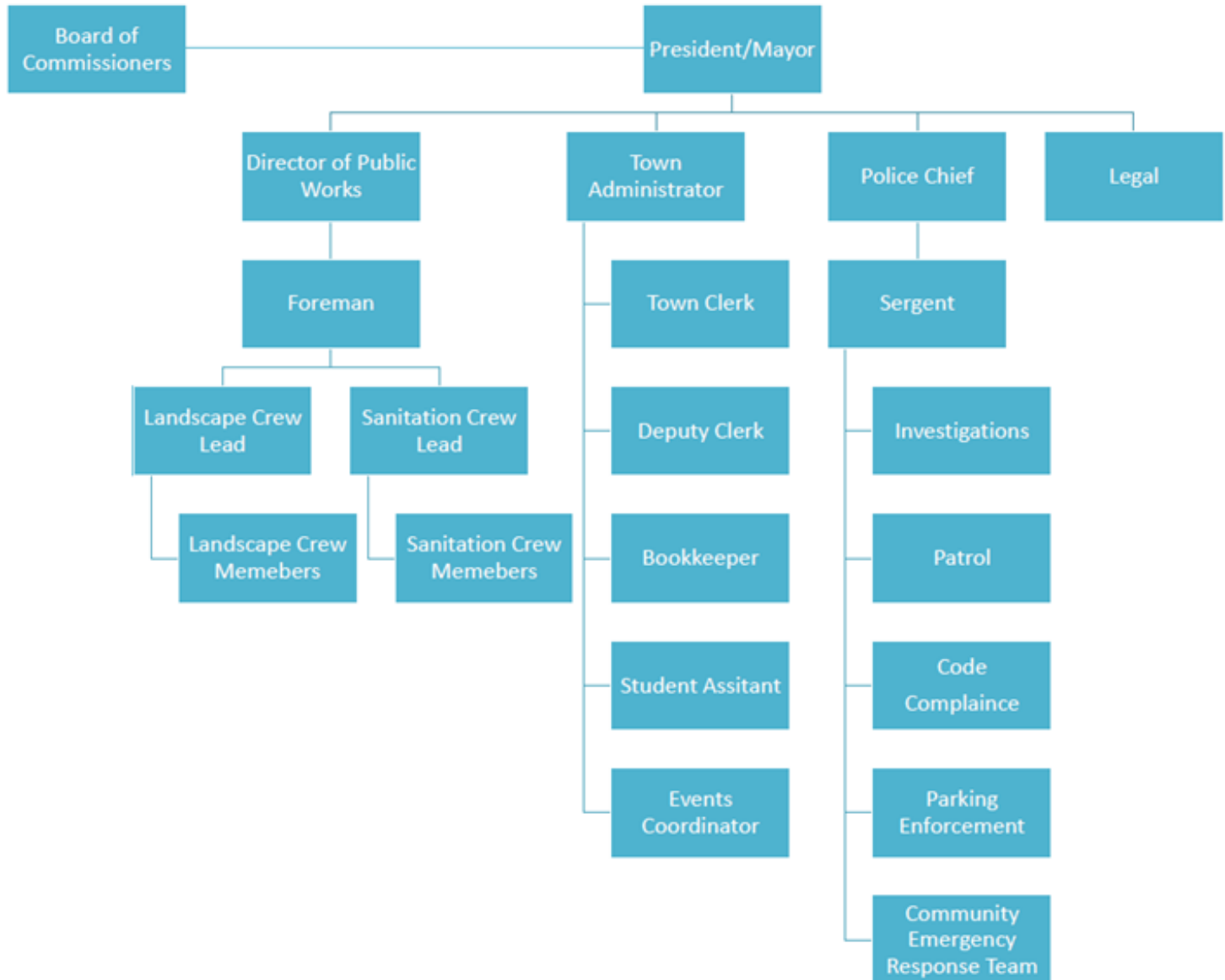
Public Works – the public works department incorporates beautification, road maintenance, trash & recycling, and storm response. Storm response includes not only snow plowing and sidewalk clearing but also flood response and limb & debris removal resulting from severe weather.

Transfer to Capital Improvements Program (CIP) Budget – This is the amount of money that the Town puts forward to fund capital improvement projects from its annual revenues (which are part of the operating budget). The CIP is a separate budget and is explained in detail in its own section of this budget document on page _.

Each of these sections of the Operating Budget are detailed in their own section, including a narrative explaining their function and the costs.



Organizational Chart





Full Time Equivalent

Town of Upper Marlboro Personnel Schedule Full Time Equivalent

<u>General Government</u>	Budget FY 23	Budget FY24
Town Administrator	1	1
Town Clerk	1	1
Deputy Clerk / Admin Asst.	1	1
Bookkeeper / Admin Asst.	1	1
Events Coordinator	0.5	0.5
Grant Writer	0.5	0.5
Student	0.5	0.5
General Government	5.5	5.5

<u>Public Safety</u>	Budget FY 22	Budget FY23
Chief of Police	1	1
Police Sergeant	1	1
Patrol Corporal	2	2
Patrol Officer	1	1
Investigations / Detective	1	1
Code Compliance / Parking	1	1
Total Public Safety	7	7

<u>Public Works</u>	Budget FY 22	Budget FY23
Director	1	1
Foreman	1	1
Crew Lead	1	1
Crew Member(s)	2	2
Total Public Works	5	5

Total Town Positions FTE	17.5	17.5
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TOWN OF UPPER MARLBORO
ADOPTED OPERATING BUDGET
FOR FISCAL YEAR 2024



Revenues



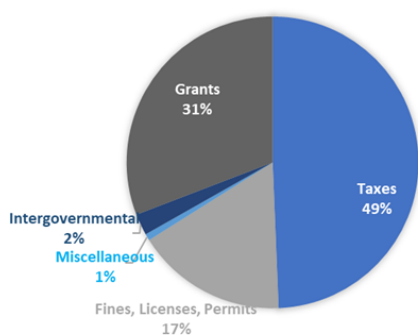
Revenues

Accurately projecting the revenues expected by the Town is essential to ensure that the priorities and plans for the coming year can be realized. Each revenue sources falls under one of four categories:

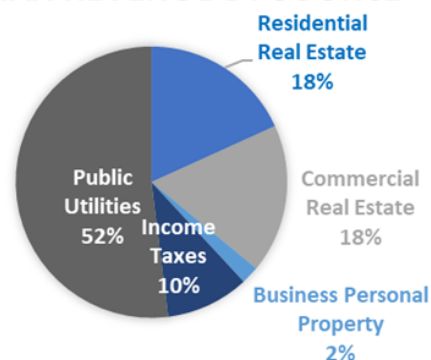
1. **Fines, licenses, and permits** – This category includes parking fees and fines, the Town's business licensing program, and other small fees.
2. **Intergovernmental Revenue** – This category includes funding from other levels of government in the form of rebates for Town services and other small remittances.
3. **Taxes** – This category includes residential and commercial property taxes, income tax, business personal property tax, and utilities taxes.
4. **Miscellaneous Revenue** – This category includes small services rendered by Town Hall staff that have an associated fee, Event Revenue, and transfers from the Reserve Fund.
5. **Grants** – This category includes grants and bond bills from state and county government.

Each of these categories makes up a percentage of the budget. In Fiscal Year 2023 Taxes accounted for 49% of the budget. Of those tax revenues Residential property taxes made up 18% of the Town's tax revenues. The category that contributes the most to the Town's budget overall is grants at 31%, followed by Utilities taxes, which accounts for 27% of the Town's total revenue and 52% of tax revenue.

FY23 - REVENUE BY SOURCE



FY23 - TAX REVENUE BY SOURCE

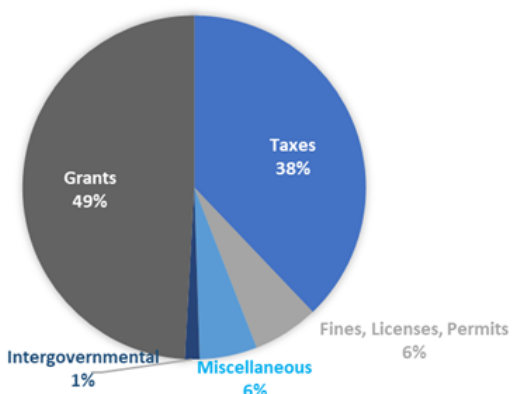




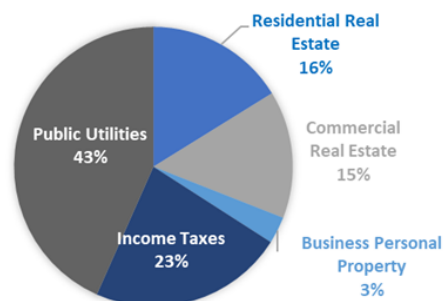
Revenues

The numbers from FY23 show a need for the Town to continue to diversify its income. This year the town is focusing on increasing grant revenues and commercial development and tourism to increase commercial tax revenue. Continued investment in economic development over the next five years will further increase the Town's revenues. Residential revenues make up a smaller percentage of the budget due to increase grant revenues.

FY24 - REVENUE BY SOURCE



FY24 - TAX REVENUE BY SOURCE



Over the past three years the Town has increased the tax rate to keep up with increasing costs of providing services. The following chart looks at the increased tax revenue brought in by these higher tax rates. In FY 24 this will result in additional tax revenue from residential taxes of just under \$6,000, and around \$11,000 in additional tax revenue from commercial property taxes. This \$17,000 dollars increase tax revenue will be used to pay the higher tipping fees for bulk and regular trash and recycling (~\$2,000), increased costs associated with street maintenance and repair (~\$3,500), increased costs of street lighting (~\$2,000), the cost of required equipment for police departments to comply with new laws (~\$10,000). Increases in salaries necessary to remain competitive in hiring and retaining staff (~\$6,000). With these costs and the small cost increases in all supplies and repairs of aging vehicles is much higher than increased revenue from taxes. For long term sustainability the Town will need to grow both its borders and its economy.



Revenues

Tax rate comparison				
	FY22		FY23	
			FY24	
	Rates			
Residential Real Estate	\$	0.30	\$	0.34
Commercial Real Estate	\$	0.54	\$	0.56
Business Personal Property	\$	0.50	\$	0.53
Public Utilities	\$	1.50	\$	2.10
	Assesed Value			
Residential Real Estate	\$	62,164,754	\$	63,325,095
Commercial Real Estate	\$	37,097,478	\$	37,482,621
Business Personal Property				
Public Utilities				
	Revenue Estimate			
Residential Real Estate	\$	186,494.26	\$	215,305.32
Commercial Real Estate	\$	200,326.38	\$	209,902.68
Business Personal Property	\$	48,284.00	\$	25,190.25
Public Utilities	\$	660,686.00	\$	614,064.78
	Additional Revenue from prior year			
Residential Real Estate			\$	28,811.06
Commercial Real Estate			\$	9,576.30
Business Personal Property				
Public Utilities				
	Total new revenue		\$	38,387.36
			\$	17,256.54

Revenue Estimates

In estimating the Town's revenues, a combination of methods was used. In some instances, a simple trend analysis of previous years was adequate. In some cases, we have official notices advising us of the amount of money we can project from specific intergovernmental sources. This section explains the methodologies used to estimate those revenues that were not estimated through trend analysis. Taxes are addressed at the end of this section in a detailed manner.



Revenues

Highway User Fee:

The Maryland Department of Transportation estimates highway user fees. They send a letter to the Town each year providing the anticipated amount of Highway User Revenues the Town will receive in a year. This is the number used in the budget.

Disposal Fee Rebate:

The disposal fee rebate is estimated by the Department of Environment. A letter is sent to the Town each year with this anticipated revenue. This is the amount that was used in this budget.

Speed Cameras:

Fiscal year 2023 was the first year in which the Town had a speed camera program. This program operated for nine-months out of the year. This budget projects the FY24 income from speed cameras to be equal to this nine-month period. This is a conservative estimate that attempts to account for the uncertainty around income from speed cameras.

Transfer from Reserve Fund:

Best practices call for municipal governments to maintain a reserve fund consisting of three to four months (or 25-33%) of the operating budget. Maintaining a reserve fund higher than this amount would mean that the municipality is collecting taxes while not providing commensurate services. The transfer from Reserves therefore ensures that the Town is maintaining fiscal responsibility while also ensuring that it is providing the services taxpayers expect to receive from their government.

This category also includes transfers of ARPA money for planned ARPA spending in a total of \$120,000. Additionally, \$25,000 needs to be transferred from reserves to repair a curb cut/driveway apron that was incorrectly repaired in past decades.

Taxes[1]

Taxes are a large source of revenue for the Town. However, this revenue source is not well diversified. In FY22 the Town Board of Commissioners recognized this fact and enacted a three-year tax increase plan, with incremental increases to be considered beyond that time as necessary. The calculation of each tax is addressed below along with a chart that outlines the three year incremental tax increase. This incremental tax increase has gotten the town to a more sustainable tax rate of \$0.38 cents per \$100 of assessed value. This was necessary because smaller increases had not been made over time to keep up with increasing costs. The town should evaluate its tax rate every few years to ensure that this balance is maintained over time.

[1] For more information of the planned tax increases please see Appendix _: Town Tax Rate Discussion Memo



Revenues

Income Taxes:

For FY24 projections the Town are based on data provided by the state of projected income taxes.

Property Taxes:

Property Taxes (Residential & Commercial) for the Town were calculated based on applying the property tax rates to the assessed base value of property in the Town provided by the State.

Utility Taxes:

The State sends us the assessed values for utilities. We then bill the utilities based on our tax rate. The Town has worked with the state to get an accurate accounting of the projected assessed value for FY24. The Town's tax rate for utilities was applied to this base.

Entertainment Taxes:

The Town has researched the potential rates and income from entertainment taxes and had discussions with the tourism industry potential chilling effect of entertainment taxes to brining in new activities to the Showplace Arena. The Town M-NCPPC, and Experience Prince Georges are discussing other ways to reduce the Town's costs and investments economic development.

Vacant Developed Real Property Tax:

Vacant developed property tax is a real property tax classification for vacant buildings different from those established under the Maryland code. Vacant developed property is classified with Prince George's County and be billed accordingly. The Board of Commissioners adopted this tax to compensate for the loss of Business Personal Property Taxes because of vacant property as well as to encourage property owners to fill vacant spaces in the interest of the Town's growth an economic development.

Agriculture-Use Tax:

As the Town annexes in Agricultural property, it should have a tax rate that accounts for this as well. Agricultural property is taxed at a lower rate by governments to encourage food production and the maintenance of open space, as well as in recognition of the lower need for services on these properties. The Town does not wish to have barriers to annexation due to a high tax rate for agricultural properties.



Revenues

Tax Classification	FY 22 Rates	FY 23 Rates	FY 24 Rates	Classification Description
Residential Property	\$0.30	\$0.34	\$0.38	Residential zoned properties
Commercial Property	\$0.54	\$0.56	\$0.57	Commercial zoned properties
Business Personal Property (BPP)	\$0.50	\$0.53	\$0.55	Individual business owners' personal property
Public Utilities	\$1.50	\$1.75	\$2.00	Pepco, Verizon, WSSC, Comcast, etc.
Entertainment				
Vacant Property				Compensations for lost BPP income
Agricultural Use				Lower rate for annexed agricultural land

TOWN OF UPPER MARLBORO
ADOPTED OPERATING BUDGET
FOR FISCAL YEAR 2024



Expenses



Expenses



TOWN OF UPPER MARLBORO
ADOPTED OPERATING BUDGET
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General Government



General Government

Services provided by the general government include citizen engagement, stakeholder identification and engagement, identification of community needs, resolution of concerns, intergovernmental relations, administration of grants, administration of town financials, running of elections, maintenance of Town's files and legal obligations, managing the Town's events, and oversight of Town's Committees.

The General Government staff is made up of the following positions:

- Town Administrator
- Town Clerk
- Deputy Clerk
- Bookkeeper
- Events Coordinator
- Student Special Assistant

The General Government is housed at Town Hall along with the Police Department. There are five offices for staff, as well as one office for the five Town Commissioners, and a Conference Room. The Town's offices will be at full capacity with the addition of a bookkeeper and a grant writer both intending to join the team before July 1st of 2022.

It is essential that the Town begin to plan for the expansion of Town Hall or the relocation of the Police Department to free up additional office space at Town Hall. While this is not part of the FY 23 budget the Capital Improvement Plan (CIP) includes new spaces for Public Works and the Police Department in future years to free up more space for General Government at Town Hall.

Changing times also require improved security upgrades to Town Hall, which can be found budgeted for in the CIP.

TOWN OF UPPER MARLBORO
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FOR FISCAL YEAR 2024



Public Safety



Public Safety

The Department of Public Safety comprises of the Police Department, Parking Authority, Code Compliance, and the Community Emergency Response Team (CERT). This department keeps town residents, businesses, and visitors safe, ensures compliance with Town codes, and ensures our laws are followed. The public safety department has been re-building and growing since 2019 with investments in additional staff, technology, training, body cameras, and adheres to 21st Century Policing policies and procedures. In addition, the police department now provides patrol coverage throughout the week with day and evening shifts, and coverage for special events.

The police department is currently housed with General Government staff in Town Hall. As noted in the section on General Government, the Town Hall has reached maximum capacity at this relatively new building and the police department will need to relocate soon. The introduction of the Town's Speed Cameras is a self-sustaining program with the intent to slow traffic and improve pedestrian safety within our Town. It is important to note that the Speed and Red-Light Camera enforcement program does not fund any items in the Town's Operating Budget due to the legal requirements of the program. Please see the section titled "Speed Camera Budget" for more details.

TOWN OF UPPER MARLBORO
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FOR FISCAL YEAR 2024



Public Works



Public Works

The Town's Public Works department keeps the Town beautiful and safe. When you drive on Town Roads you are benefiting from the invisible work the Public Works crews do. Public Works main services include:

- Trash, Bulk Trash, and Yard Waste Collection
- Beautification of Town Properties and Rights-of-Way
- Snow Removal
- Road Maintenance
- Emergency Response
- Natural Disaster Response
- Event Support

The Department of Public Works is housed on a 20,691 square foot lot with a three-bay garage and a small office building that has space for one office, a restroom, and room for three adults to sit down.

This five-member team is extremely cramped in the current office. Additionally, the size of the public works lot is such that once a truck has been outfitted with a plow and salt spreader it can no longer turn around. The garage bays are not adequate to store the necessary for maintaining and beautifying the town. This limits the capacity of the department to purchase the appropriate equipment and has led to equipment wearing out more quickly due to exposure to the elements.

The Following public works budget maintains the team and equipment at its current level. While the Town will require more staff an equipment to continue to adequately serve residents, the space is at capacity, and new space will be necessary before the crew can be expanded.

TOWN OF UPPER MARLBORO
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Capital Improvement



Capital Improvement

A Capital Improvements Plan (CIP) allows a Town to plan its future investments, anticipate needs, set goals and secure funding to help support those goals. This CIP accounts for the Town's vehicle replacement schedule, road maintenance schedule, and infrastructure investments within the Town's current boundaries.

Annexation and Economic Development are part of the Town's future this FY24 CIP provides a plan that anticipates needs associated with these elements. Investments in Economic Development include parking and road improvements, park improvements and development, and the Façade Improvement Program. Annexation planning includes plans for new locations for the public works and police departments, equipment with a higher capacity than existing for public works, and investments in security improvements. A Capital Improvement Plan is essential for the Town to maintain a responsible, long-range planning for the future.

While the Town's FY24 finances do not allow meeting the Town's infrastructure needs over the next year the Town has continued to seek out grants to assist with funding. The Town has brought on both an economic development firm and a grant writer to this end. The highest priority capital improvements that the Town anticipates over the next five to ten years include the following:

1. Re-design, engineering, and paving of Town Roads.
2. Additional equipment to improve services and safety for the Public Works department.
3. Park, trail, and parking investments that support economic development.
4. A Public Safety Facility sized to accommodate current and future needs.
5. A Public Works Facility sized to accommodate current and future needs.

TOWN OF UPPER MARLBORO
ADOPTED OPERATING BUDGET
FOR FISCAL YEAR 2024



Speed Camera



Speed Camera

The Town's Speed Camera program began during the Summer of 2022. Our cameras are located on Old Marlboro Pike and Old Crain Highway. The Speed Camera program will continue to grow and develop especially when annexation extends the Town's boundaries. Revenues associated with this program are largely dedicated to the cost of running the program, and is self-sustaining, with the intent to slow traffic and improve pedestrian safety within our Town.

The Town has limited data on the Speed Camera program's projected revenues due to a lack of comparable data. There is also uncertainty about when and by how much revenues may decrease as commuters become more accustomed to the cameras and slow down their speed through the Town. Due to this, we are continuing to be conservative with estimates of how much revenue will come in from the program.

The funds that are generated from the Speed Camera program are restricted solely for public safety purposes, including pedestrian safety programs. The details of their use is determined at the State level and restricted by State Law. The relevant section of state law is cited as follows:

Transportation Article 21-810 (c)(3)(i) (Link) sets the parameters for issuing a fine for speed camera ticket and references:

Courts and Judicial Proceedings Article 7-302 (e)(4)(ii)(1) (Link) which states:

"For any fiscal year, if the balance remaining from the fines collected by a political subdivision as a result of violations enforced by speed monitoring systems, after the costs of implementing and administering the systems are recovered in accordance with subparagraph (i)1 of this paragraph, is greater than 10% of the total revenues of the political subdivision for the fiscal year, the political subdivision shall remit any funds that exceed 10% of the total revenues to the Comptroller."

To ensure that funds are accounted for accurately and used in accordance with all laws and regulations, the Town has created a separate plan for these funds. This will ensure the highest level of fiscal responsibility and accountability.

It is possible that a budget amendment will be required in FY24 in accordance with the above state law, if revenues are above our estimate. This is the approach that was used in FY23. The Board of Commissioners continues to use this approach because of the newness of the program and the Board's commitment to transparency, conservative budgeting, and best practices in government.

TOWN OF UPPER MARLBORO
ADOPTED OPERATING BUDGET
FOR FISCAL YEAR 2024



Citizen Engagement



Citizen Engagement

The budget development process followed this schedule:

The following calendar is adopted for the preparation and adoption of the Town of Upper Marlboro Budget for Fiscal Year ("FY") 2024:

Date	Meeting Type	Topic
Tues Jan 10 th	Regular Work Session	Preliminary Budget Calendar Discussion
Tues Jan 24 th	Regular Town Meeting	Budget Calendar Board Approval
Tues Feb 14 th	Regular Work Session	Board Budget Priorities Discussions
Tues Feb 21 st	Extra Budget Work Session	Anticipated Revenue & Town Tax Rates Discussion
Tues March 14 th	Regular Work Session	Expenses- Departmental & CIP Discussion
Tues March 21 st	Regular Town Meeting	Public Comment- Proposed Town Tax Rates Schedule CYTR Hearing, if applicable.
Tues April 11 th	Regular Work Session	Draft Budget Ordinance Discussion & Budget Book
Tues April	Regular Town Meeting	Introduce Budget Ordinance & Public Comment
Tues May 9 th	Regular Work Session	Discuss Budget Ordinance & Public Comment
Tues May 23 rd	Regular Town Meeting	Approval of Budget Ordinance & Budget Book
Fri July 1 st	N/A	FY 2024 Budget in effect

The all meetings were announced to the public via constant contact emails, on the Town's website. The budget process was also announced in the Town's quarterly newsletter in January and April. The Town has promoted its "virtual comment box" online for residents to provide comment on the budget or any other issue they are having.

The Board of Commissioners did a door knocking to discuss the budget with residents in February and March and held "Community Conversations" on April 8th. The regular and work session meetings were announced on Nextdoor as opportunities for the public to be part of the budget process from April through June. Residents were encouraged to participate in the process.

The budget book and a comment box were made available to residents at the Marlboro Day Festival on May 13th, 2023.

This budget book and ordinance were made available for the public to review and comment online starting on April 26th through May 22nd.



Citizen Engagement

1. How are residential taxes spent? What am I getting for the money that I pay to the Town?

The graphs below illustrate how tax dollars are spent. Most of the residential tax revenues go directly to providing refuse collection services, making up approximately 40% of how residential tax revenue is spent. Residential taxes also pay for Commissioners salaries and training at about 16% of taxes. Very little of residential taxes go to funding government departments, the average contribution is less than \$100 per department per year.

2. Can we look at the level of the homestead tax credit? Are some residents paying a higher tax rate than others because of it?

The Homestead Tax Credit incentivizes home ownership in the Town and State. Town residents receive total benefit of \$42,000 in homestead tax credits on their property tax bill. The Town will be doing public outreach to let residents know of this way to lower their property taxes. Increasing pressure on the rental market and a trend of converting residential units into rental housing, from which the Town is not immune, make this lost revenue an investment in the Town's long-term health.

3. Why do we need to increase taxes? How come taxes are going up so quickly?

The Town of Upper Marlboro has not increased taxes over the years to keep up with the increasing cost of providing services. In 2020 the Town board of Commissioners recognized the need to increase taxes to continue to provide the high level of municipal services resident are used to.

At that time, a target rate of \$0.38 per \$100 of assessed value was set. Due to the Covid-19 pandemic and the economic uncertainty around that the Board of Commissioners established a step plan to increase the rate gradually over a three-year period to achieve the target tax rate.

Please see the section for the April 2021 Tax rate increase presentation that explains the need and process in detail.



Citizen Engagement

4. We have been the lowest tax rate of municipalities in the County, why can't we keep this status?

While we have historically had the lowest tax rate among municipalities, this has been a sign of problematic policies in the past. Several municipalities that have a higher tax rate do not have Public Safety departments. To keep up with the increasing costs of providing services and have proper public safety department that is current with all new regulations the Town needs to increase revenue. While the Town is seeking creative ways to do it, it is also necessary to increase taxes to keep up with the increase cost of providing services. To stay as the lowest tax rate for a municipality in Prince George's County the Town would need to eliminate existing services. This would go against overwhelming desires of the community.

5. I am already paying thousands of dollars of taxes to the Town.

Town taxes are only a portion of your tax bill. Residents pay thousands of dollars in County taxes each year, but most residents of Upper Marlboro pay between \$750 and \$950 in taxes to the Town each year. The following table shows what part of your tax bill goes to County taxes and what part goes to Town taxes.

Assessment*	County Tax	Town Tax	Total in-town bill
\$ 50,000.00	\$ 464.00	\$ 190.00	\$ 654.00
\$ 100,000.00	\$ 928.00	\$ 380.00	\$ 1,308.00
\$ 150,000.00	\$ 1,392.00	\$ 570.00	\$ 1,962.00
\$ 200,000.00	\$ 1,856.00	\$ 760.00	\$ 2,616.00
\$ 250,000.00	\$ 2,320.00	\$ 950.00	\$ 3,270.00
\$ 300,000.00	\$ 2,784.00	\$ 1,140.00	\$ 3,924.00
\$ 350,000.00	\$ 3,248.00	\$ 1,330.00	\$ 4,578.00
\$ 400,000.00	\$ 3,712.00	\$ 1,520.00	\$ 5,232.00
\$ 450,000.00	\$ 4,176.00	\$ 1,710.00	\$ 5,886.00
\$ 500,000.00	\$ 4,640.00	\$ 1,900.00	\$ 6,540.00
\$ 550,000.00	\$ 5,104.00	\$ 2,090.00	\$ 7,194.00
\$ 600,000.00	\$ 5,568.00	\$ 2,280.00	\$ 7,848.00
\$ 650,000.00	\$ 6,032.00	\$ 2,470.00	\$ 8,502.00
\$ 700,000.00	\$ 6,496.00	\$ 2,660.00	\$ 9,156.00
\$ 750,000.00	\$ 6,960.00	\$ 2,850.00	\$ 9,810.00
\$ 800,000.00	\$ 7,424.00	\$ 3,040.00	\$ 10,464.00



*This is not the price you could get for your home, but the value the County assesses your home at. You can find this information at:

<http://taxinquiry.princegeorgescountymd.gov/> or
<https://sdat.dat.maryland.gov/RealProperty/Pages/default.aspx>

TOWN OF UPPER MARLBORO
ADOPTED OPERATING BUDGET
FOR FISCAL YEAR 2024



Appendix

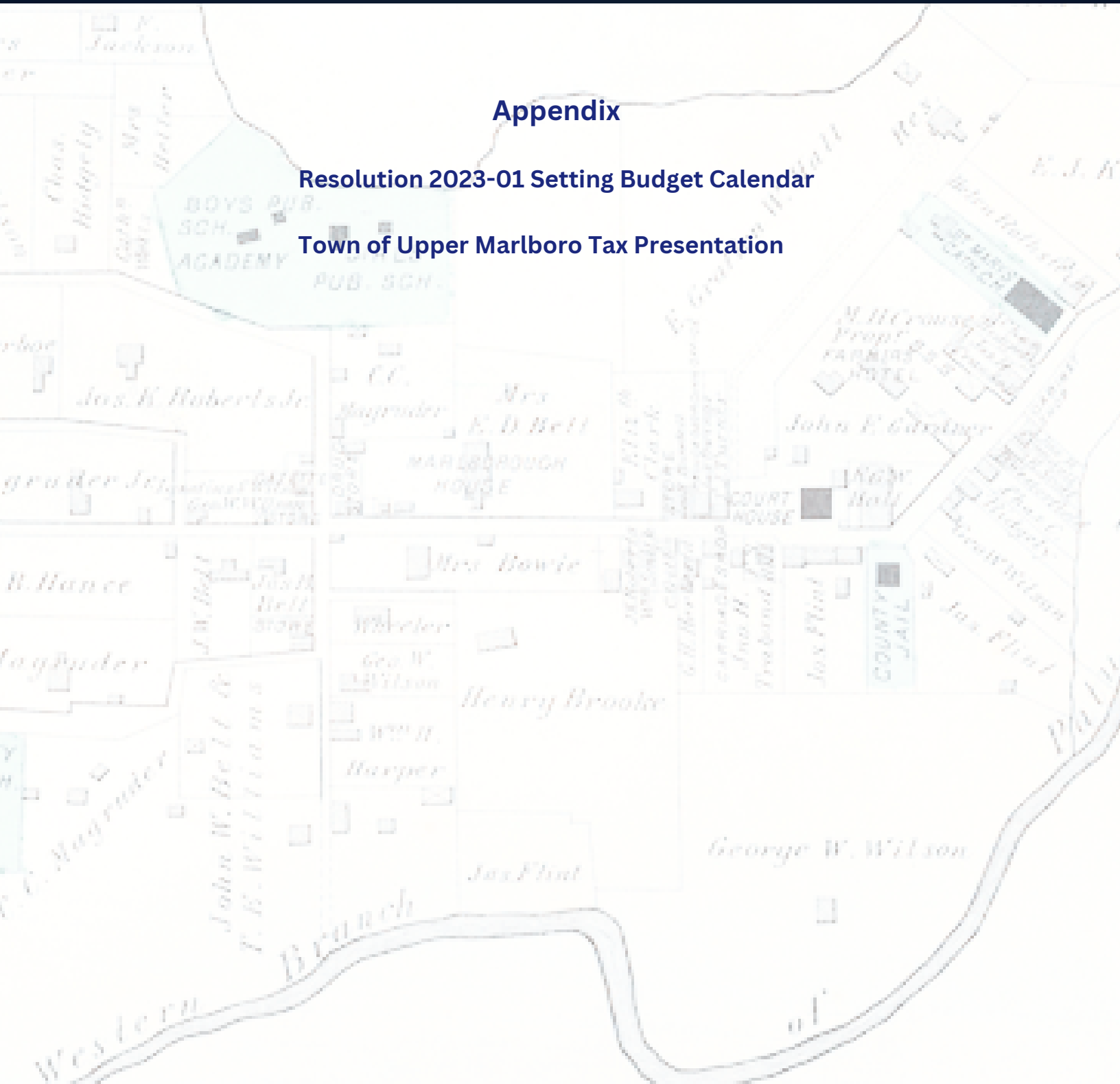


Appendix

Appendix

Resolution 2023-01 Setting Budget Calendar

Town of Upper Marlboro Tax Presentation



The Town of Upper Marlboro

RESOLUTION: 2023 - 01

SESSION: Regular Town Meeting

DATED: January 24, 2023

A RESOLUTION SETTING THE PROPOSED BUDGET CALENDAR FOR THE FISCAL YEAR 2024 BUDGET

WHEREAS, Charter section 82-40 provides that a budget for the next fiscal year shall be submitted to the Board of Town Commissioners. The President on such date as the Board shall determine, but at least thirty days before the beginning of any fiscal year, shall submit a budget to the Board. The Budget shall provide a complete financial plan for the budget year and shall contain estimates of anticipated revenues and proposed expenditures for the coming year. The budget shall be a public record in the office of the treasurer, open to public inspection during normal business hours; and

WHEREAS, the Board of Commissioners must adopt a budget for the Town of Upper Marlboro that includes revenues and expenditures for Fiscal Year 2024, beginning July 1, 2023, and ending June 30, 2024; and

WHEREAS, the deadline for the Board of Commissioners to adopt a Town Budget for Fiscal Year 2024 is June 30, 2023; and

WHEREAS, the budget process is a lengthy one; and

WHEREAS, it is necessary to inform the public about the proposed budget, hold a public hearing on the proposed budget, and allow for citizen review and comment before final adoption of the budget ordinance; and

WHEREAS, depending on the exemption certifications from SDAT of the constant yield tax rates for the classes of real property in the Town, the Board may have to provide notice and a special hearing under the CYTR law prior to levying a tax rate.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TOWN COMMISSIONERS OF THE TOWN OF UPPER MARLBORO.

The following calendar is adopted for the preparation and adoption of the Town of Upper Marlboro Budget for Fiscal Year ("FY") 2024:


Date	Meeting Type	Topic
Tues Jan 10 th	Regular Work Session	Preliminary Budget Calendar Discussion
Tues Jan 24 th	Regular Town Meeting	Budget Calendar Board Approval

Tues Feb 14 th	Regular Work Session	Board Budget Priorities Discussions
Tues Feb 21 st	Extra Budget Work Session	Anticipated Revenue & Town Tax Rates Discussion
Tues March 14 th	Regular Work Session	Expenses- Departmental & CIP Discussion
Tues March 21 st	Regular Town Meeting	Public Comment- Proposed Town Tax Rates Schedule CYTR Hearing, if applicable.
Tues April 11 th	Regular Work Session	Draft Budget Ordinance Discussion & Budget Book
Tues April	Regular Town Meeting	Introduce Budget Ordinance & Public Comment
Tues May 9 th	Regular Work Session	Discuss Budget Ordinance & Public Comment
Tues May 23 rd	Regular Town Meeting	Approval of Budget Ordinance & Budget Book
Fri July 1 st	N/A	FY 2024 Budget in effect


PASSED by the Board of Commissioners of the Town of Upper Marlboro, Maryland at a regular meeting on this 24th day of January, 2023.

Attest:

THE TOWN OF UPPER MARLBORO
BOARD OF COMMISSIONERS


Sarah Franklin, President


Janice Duckett, Commissioner


Charles Colbert, Commissioner


Karen Lott, Commissioner



Thomas Hanchett, Commissioner

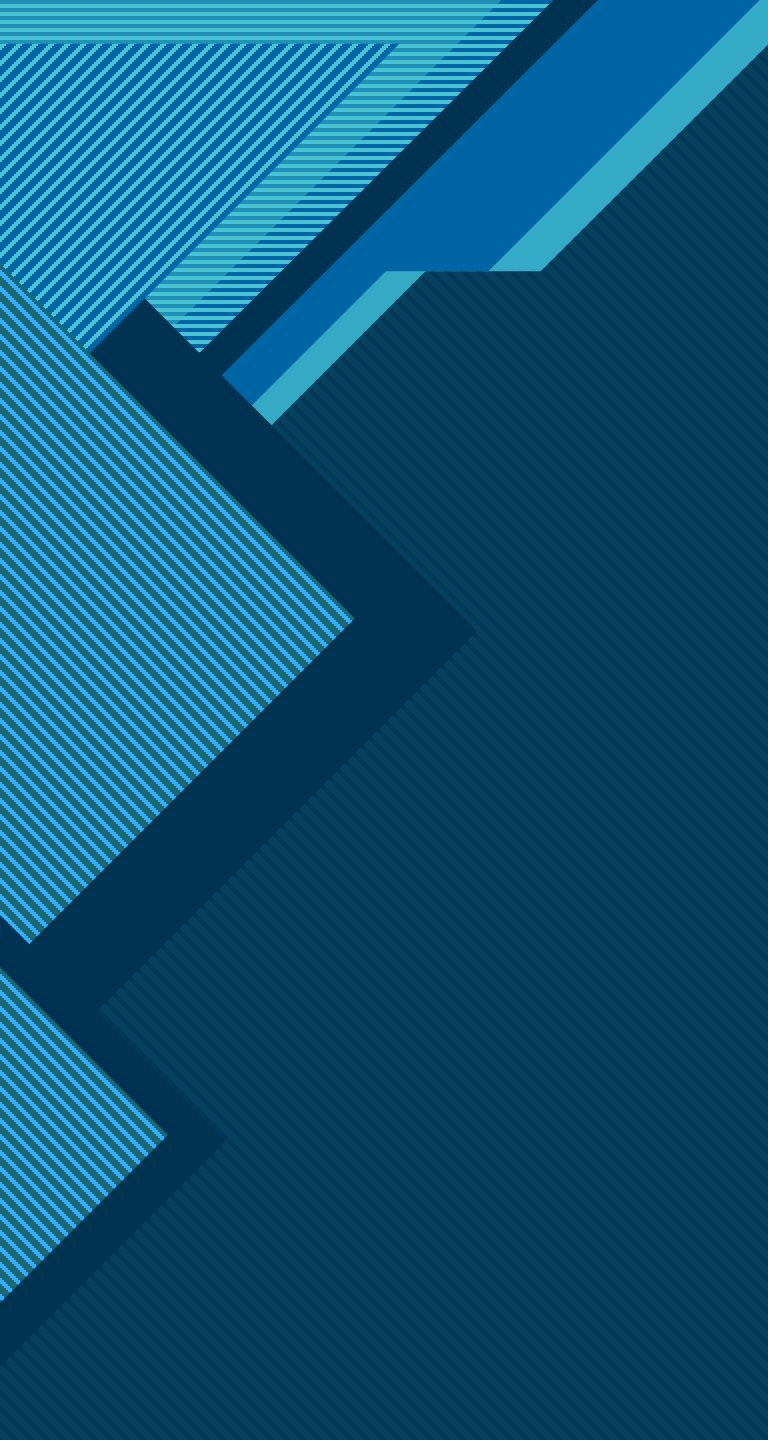

John Hoatson, Town Clerk

CERTIFICATION

I, the undersigned, hereby certify that I am the Town Clerk of the Town of Upper Marlboro and that the Board of Town Commissioners of the Town of Upper Marlboro at a public meeting at which a quorum was present adopted this Resolution, and that said Resolution is in full force and effect and has not been amended or repealed.

In witness whereof, I have hereunto set my hand and seal of the municipal corporation, this 24th day of January, 2023.


John Hoatson, Town Clerk



TOWN OF UPPER MARLBORO

Tax Presentation – Virtual Town Meeting

Tuesday April 13th, 2021
7:00 PM

Town Tax Facts

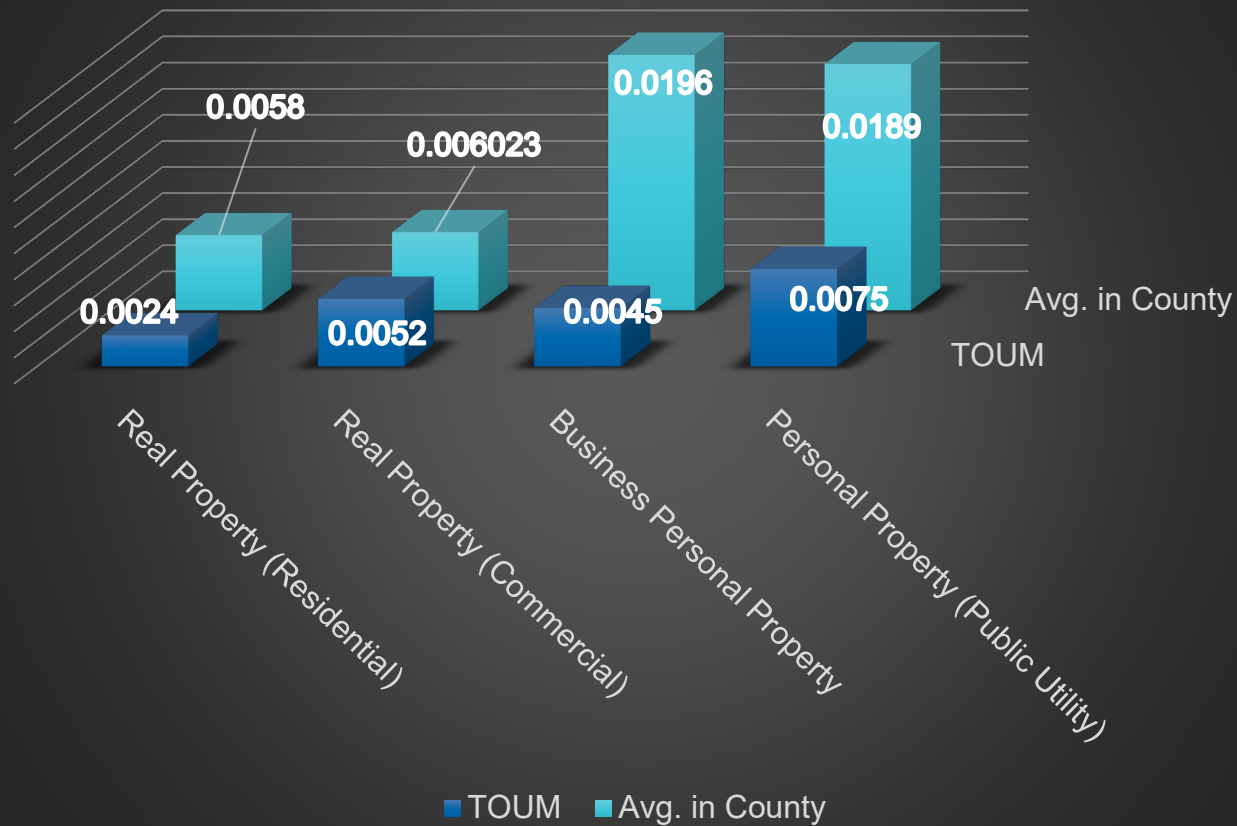
- Prior to FY 2020, the Town had three (3) taxing classifications
 - Real property taxes
 - Business personal property taxes
 - Public utility taxes
- The taxing rates were consistent with no change dating back at least 30+ years
- In FY 2020 the BOC changed the taxing classifications to the following
 - Residential
 - Commercial
 - Business personal property taxes
 - Public utility taxes

Historical Tax Data

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
RESIDENTIAL	\$181,491	\$184,254	\$192,705	\$198,023	\$126,381	\$156,288
COMMERCIAL					\$169,549	\$174,878
BPPT	\$18,405	\$24,865	\$21,699	\$28,383	\$26,326	\$37,067
Pub. Utility	\$95,945	\$101,032	\$102,361	\$107,398	\$332,265	\$334,156
TOTALS	\$295,841	\$310,151	\$316,765	\$333,804	\$654,521	\$702,389

- New tax classification separates residential from commercial
- Increased tax rate for commercial and Public Utility taxes
- Increased tax collection revenue

Tax Rate Comparison



1	Upper Marlboro	0.2400
2	College Park	0.3250
3	Glenarden	0.3579
4	Capitol Heights	0.3920
5	Bowie	0.4000
6	Brentwood	0.4150
7	North Brentwood	0.4400
8	Fairmount Heights	0.4600
9	Eagle Harbor	0.4727
10	Cheverly	0.5100
11	Landover Hills	0.5200
12	Berwyn Heights	0.5300
13	Forest Heights	0.5473
14	Cottage City	0.5702
15	Edmonston	0.5748
16	Seat Pleasant	0.5800
17	University Park	0.5830
18	Hyattsville	0.6300
19	Riverdale Park	0.6540
20	New Carrollton	0.6652
21	Laurel	0.7100
22	Bladensburg	0.7400
23	Morningside	0.7800
24	District Heights	0.8000
25	Mt. Rainier	0.8100
26	Greenbelt	0.8275
27	Colmar Manor	0.9784
	Average rate	0.5746

Justification of Increased Taxes

Increased Expenses over ten-year span

- Waste pickup and disposal
- Technology cost and upgrades
- Insurance increases
 - Medical & benefits
 - Worker's compensation
 - General liability
- Employee compensation
- Utility services
- Capital improvement plan
- And more...

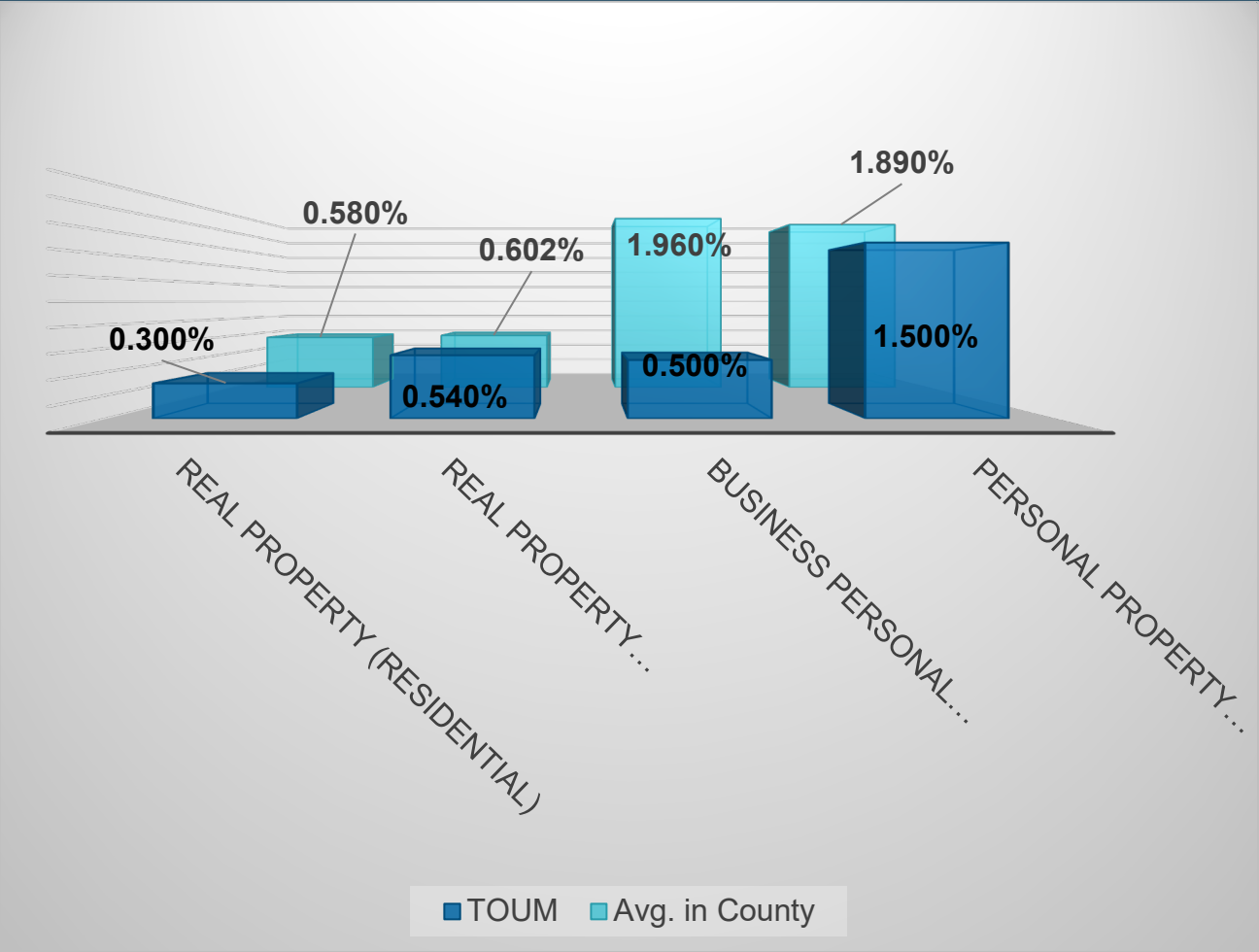
Limited reserve liquidity due to past years spending

Annual increases to cost-of-living inflation

Providing adequate amount of government services to constituents

Capital improvement needs

Content Title 02



Classification	Tax Base Value
Residential	55,462,000
Commercial	33,578,000
Bus. PPT	47,733,333
Pub. Utility	7,111,111

Tax “STEP” Plan

- Intent is for the Town to have a progressive system so in years to come the conversation surrounding tax increases can and/or may be limited
- The initial increases (first 3 years) would fill the gap for lost of revenue

Classification	Current Rates (FY 2021)	FY 2022 Rate	FY 2023 Rates	FY 2024 Rates	Total Change
Residential	\$0.24	\$0.30	\$0.34	\$0.38	\$0.14
Commercial	\$0.52	\$0.54	\$0.56	\$0.56	\$0.05
Bus. PPT	\$0.45	\$0.50	\$0.53	\$0.53	\$0.10
Pub. Utility	\$0.75	\$1.50	\$1.75	\$2.00	\$1.25

FY 2022 Proposed Tax Budget

	FY 2021 Approved	FY 2022 Proposed	Change
Residential	\$126,000	\$166,386	\$40,386
Commercial	\$169,000	\$181,321	\$12,321
Bus. PPT	\$32,000	\$35,555	\$3,555
Pub. Utility	\$358,000	\$715,999	\$357,999

- Replenish the Towns reserve funds
- Allocate and complete Town infrastructure projects
- Prepare for ongoing cost increases

Continued Rate Increases

- Rate increases are \$0.005 per \$100 of assessed value starting FY 2026
- Increases continue biennial (every 2 years) through FY 2030
- This process will continue for the residential classification

Average Homeowner Tax Rate Payment

Residential Property Value	FY 2021 (Current)	FY 2022 \$0.30	FY 2023 \$0.34	FY 2024 \$0.38	FY 2026 \$0.385	FY 2028 \$0.39	FY 2030 \$0.395
\$200,000	\$480	\$600	\$680	\$760	\$770	\$780	\$790

- $\text{Property value} \times \text{tax rate} / \$100 = \text{proposed tax payment}$