

## **Treasurer's Report**

June 4, 2018 Mayor and Council Meeting

It has been a busy month as we go through finalizing next year's budget. Below are some of the highlights for the Finance Department:

**FY19 Budget** – The final draft of the FY19 budget will be discussed at the June 4 Mayor and Council Worksession and scheduled for adoption by the Mayor and Council during the June 4 Council meeting. In preparation of the FY19 budget, several budget worksessions and community meetings were held to present the proposed budget and to provide opportunities for discussion and input in the overall budget. Below is a list of budget meetings held during May:

- May 4th Mayor and Council Worksession where the FY19 budget was discussed again
- Constant Yield Hearing on May 4<sup>th</sup> at the Mayor and Council Meeting.
- May 14<sup>th</sup> Saturday Budget Presentation and Public Comment
- May 23<sup>rd</sup> dedicated Budget Worksession #3 for the Mayor and Council

### **FY19 Proposed Budget Highlights**

- Total FY19 draft budget is \$6,604,276, which is only 2% higher than last year.
- Eighty-two (82%) of the total budget is used to provide services such as Public Safety (55%), Public Works (15%), and Grants (12%).
- Only 18% is used for General and Administrative functions.
- This shows the Town has a very lean operation with most of the resources going to providing services to our residents.

**Constant Yield Hearing** – The Town held its Constant Yield Hearing as part of the May 4, 2018 Mayor and Council Meeting. The hearing is required by Maryland Law and summarized below:

- The Town's current real property tax rate is \$.74 per \$100 of assessed property (or \$.0074) which has not changed for at least the last two decades.
- Each year the Town receives next year's real property assessments from Maryland's State Department of Assessments and Taxation (SDAT) which we use as the basis for building our budget.
- SDAT projects the total assessed property values will be \$472M. This is a 3.9% increase over assessed values this current year.
- The Constant Yield states the Town should reduce its tax rate by 3.9%, to \$.7122 per \$100 to offset the 3.9% increase in assessments.
- If the Town adopts its current rate of \$.74 per \$100 (or any rate higher than the Constant Yield) the Town must advertise and hold a public hearing and allow citizen comment.
- Municipalities can set any tax rate they want to regardless of the Constant Yield. This is just a process we go through annually in times of rising assessments.

- It should be noted, the current budget holds the tax rate at the same rate it has been for the past 15 years at \$.74 per \$100.

### **Upcoming Events in June**

- Audit field work begins with broad sampling of financial transactions from vendor bills, to cash receipts, to financial reporting.
- Reconciliation of Capital Assets for depreciation reporting.
- The Finance Department will be closing out the year-end fiscal year at the end of June 2018.
- If weather holds out, the Town will be hosting our First Public Safety Open House on June 2<sup>nd</sup> from 1 to 3 PM in the David C. Harrington Community Park
- Adoption of the FY19 Budget by the Mayor and Town Council

### **Professional Development**

- The Town Treasurer will be attending the Maryland Municipal League's (MML) Annual Conference to participate in the required core classes and electives to complete the University of Maryland's School of Public Policy Academy of Excellence Program.
- The Town Treasurer will also be attending the Maryland Government Finance Officers Association Annual Conference. Below is a sample of the topics and sessions this year include (and some are my favorite):
  - Fraud – Why Good People Make Dumb Choices
  - Municipal Fraud, Noncompliance, and Abuse
  - Updates from Maryland's Department of Budget and Management
  - Economic Outlook
  - Cyber Security Tips for Microsoft Office

As always, please call or email myself at [vtinelli@bladensburgmd.gov](mailto:vtinelli@bladensburgmd.gov) or Jennifer Dodson [jdodson@bladensburgmd.gov](mailto:jdodson@bladensburgmd.gov) at any time if you have any questions or if the Finance Department can be of assistance. Have a happy and safe summer!

Submitted by Vito Tinelli  
Town Treasurer  
May 29, 2018