

FY26 PRELIMINARY BUDGET REVIEW

July 1, 2025 - June 30, 2026

Presented by:

Jason M. Bennett, CPA
County Administrator

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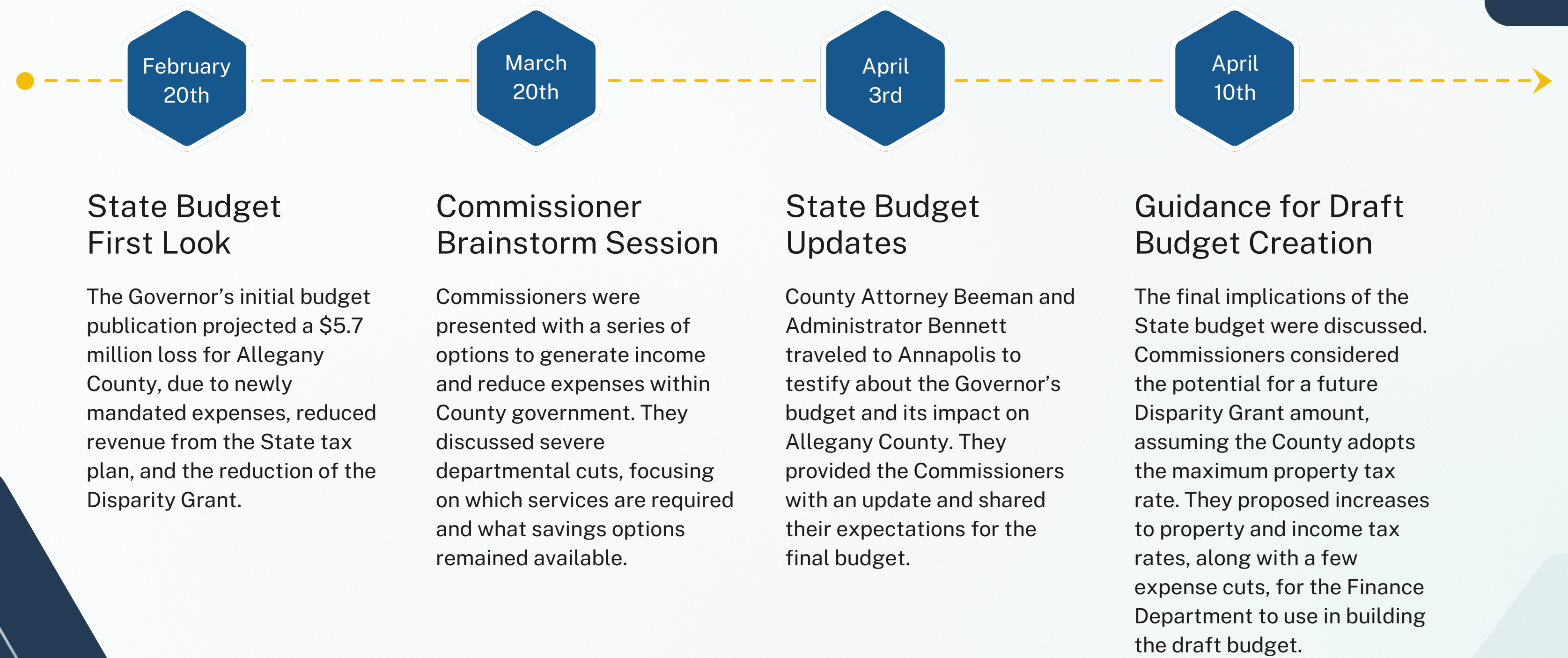
Pamela S. Diaz, CPA, CPFO
Deputy Director of Finance

May 1, 2025



BUDGET TIMELINE

Work Sessions and events leading up to this point.



PRELIMINARY BUDGET

Total PREDICTED Revenues: \$113,696,028

Based on anticipated collections from taxes, fees, grants, and other income for the upcoming fiscal year.

| <u>Highlights</u> | <u>Changes</u> | <u>Reasoning</u> |
|-------------------------|----------------|--|
| Property Taxes | \$4,250,000 | Property taxes are projected to grow by 9.6% – due to rising property assessments and a two-cent increase in the real estate tax rate. |
| Income Taxes | \$1,590,000 | The tax rate will increase to 3.20%, with a slight improvement in FY 2025 performance expected to carry into FY 2026. However, a \$400,000 decrease is anticipated due to changes in Maryland’s income tax laws. |
| Disparity Grant | (\$816,053) | Decreased by the State of Maryland. |
| Unreserved Fund Balance | \$1,828,000 | Use of unreserved fund balance in order to reduce the burden on County taxpayers. |

PRELIMINARY BUDGET

Total REQUESTED Expenditures: \$113,696,028

The total cumulative amount of all departmental budget requests for the upcoming fiscal year, including both internal and external requests.

| <u>Highlights</u> | <u>Changes</u> | <u>Reasoning</u> |
|--|----------------|---|
| Emergency Management | \$1,800,000 | Continued expansion has brought expenditures to a total of \$7 million, making it the County’s third-largest operating department. |
| Employee Cost | \$1,750,000 | Union-contracted COLAs, along with a 16% increase in health insurance costs and an 11% increase in pension costs, are contributing factors. |
| State’s Attorney | \$816,000 | Continued expansion has brought expenditures to a total of \$3.4 million, including grant-funded expenditures. |
| Mandated State Assessment Office & Teacher Pension | \$1,122,195 | The County will absorb State of Maryland funding cuts and the transfer of certain expenditures from the State to the County. |
| Debt Service Transfer | \$746,000 | An increase in Public Improvement Bond (PIB) debt service payments is scheduled for FY 2026. |



FY26 PROPOSED TAX RATES

- **Income Tax Rate: 3.20%**

Based on a taxable income amount of \$100,000, the annual tax amount would be \$3,200. This is \$170 more than the current scenario.

- **Real Property Tax Rate: \$0.9950**

Based on an assessed property value of \$100,000, the annual tax amount would be \$995. This is \$20 more than the current scenario.

- **Recordation Tax: \$3.50 – UNCHANGED**

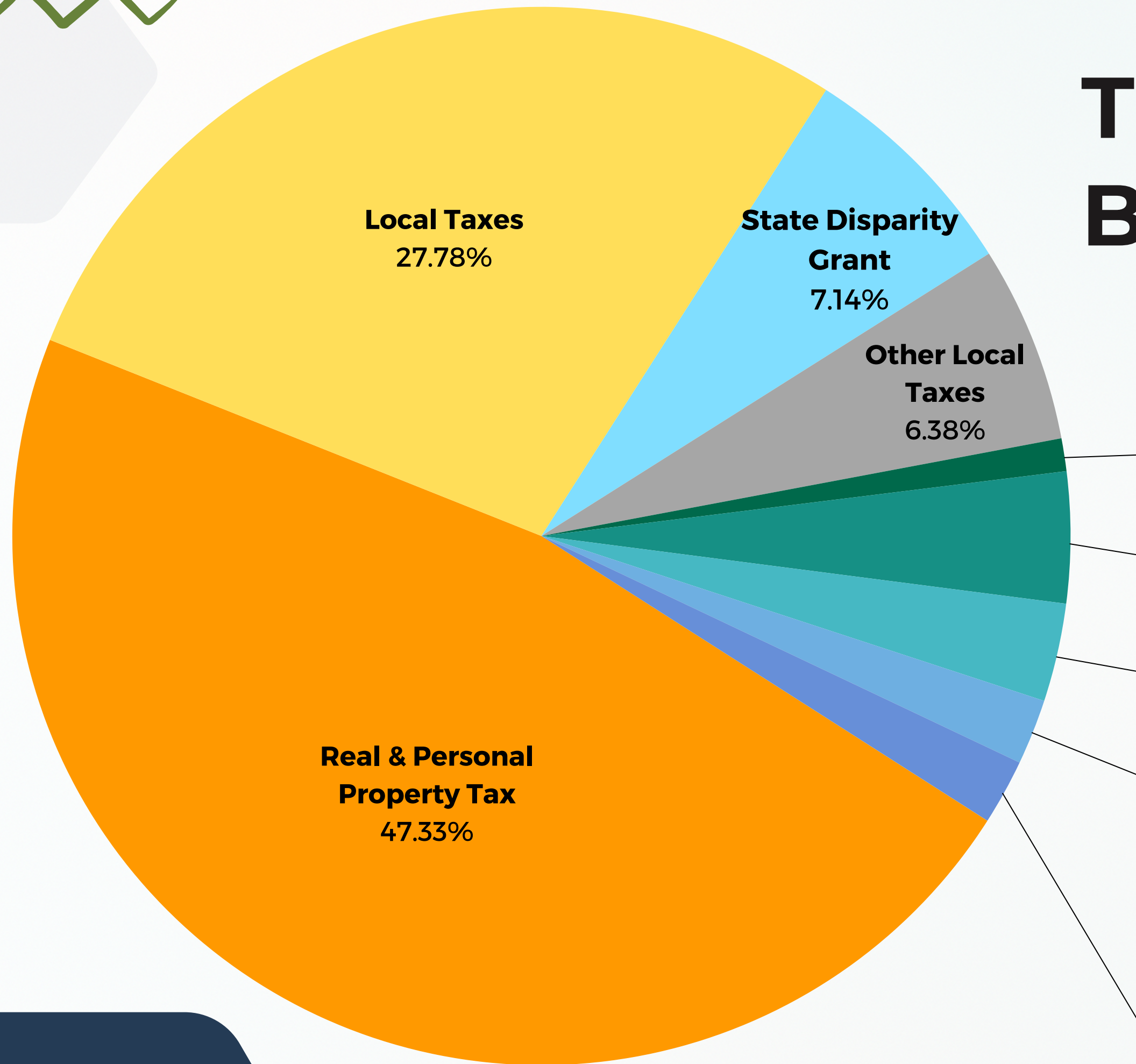
A recordation tax is a fee collected when property documents, such as deeds or mortgages, are officially recorded.

- **Homestead Credit: 4.00% – UNCHANGED**

Property tax credit that limits how much a homeowner's taxable property value can increase each year, helping to protect against large increases in property tax bills.

TOTAL PREDICTED BUDGET REVENUES

\$113,696,028



Licenses & Permits
0.50%

Other Intergovernmental
3.67%

Service Charges
3.15%

All Other
2.19%

Unexpended Fund Balance
1.86%

PRELIMINARY BUDGET SUMMARY OF ALL FUNDS

This is the total of all funds that fall under Allegany County Government, including the General Fund.

| | |
|---|-----------------------|
| General Fund | \$ 113,696,028 |
| Coal Haul Roads Fund | \$45,000 |
| Rocky Gap Slots Revenue Fund | \$2,495,939 |
| Transit Fund | \$2,277,361 |
| Narcotics Task Force Fund | \$225,282 |
| Gaming Fund | \$435,324 |
| Revolving Building Fund | \$3,556,125 |
| State Fire, Rescue & Inmate Commissary Fund | \$488,000 |
| Debt Service Fund | \$3,184,410 |
| Water Fund | |
| Sanitary Fund | |
| Allconet II | \$116,500 |
| County Loan Fund | \$55,000 |
| TOTAL | \$ 126,574,969 |

Note: This preliminary budget does not include the Capital Projects Fund or Water/Sewer Funds



PRELIMINARY BUDGET WHERE IS YOUR TAX DOLLAR SPENT?

TOTAL GENERAL FUND BUDGET EXPENDITURES: \$113,696,028

Education
37.78%

**Public
Safety**
28%

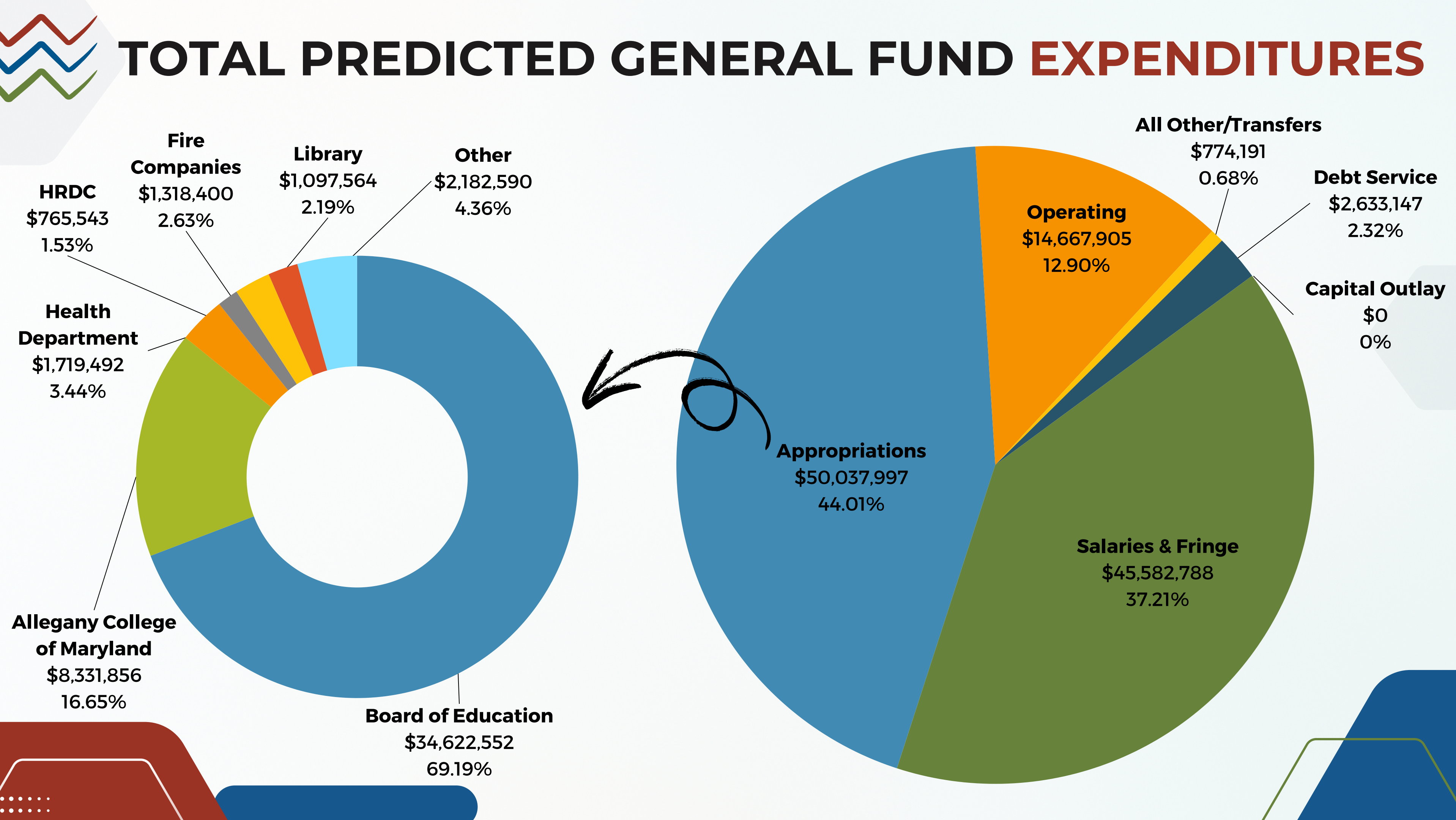
Public Works
10.34%

**General
Government**
12.15%

**Recreation,
Culture,
Misc. &
Other
Transfers**
7.27%

**Social
Services
& Health**
3.51%

Econ. Dev
0.96%



| Service | Dollars | Percentage |
|--------------------------------|----------------|------------|
| Board of Education | \$ 34,622,552 | 30.5% |
| Detention Center | 10,647,529 | 9.4% |
| Allegany College | 8,331,856 | 7.3% |
| Debt Service on Services | 2,633,147 | 2.3% |
| 911 | 3,810,655 | 3.4% |
| State's Attorney | 3,415,102 | 3.0% |
| Health Department | 1,547,543 | 1.4% |
| Allegany County Library | 1,097,564 | 1.0% |
| Other Health Services Programs | 671,500 | 0.6% |
| Election Office | 1,274,422 | 1.1% |
| HRDC (Sr Citizen Centers) | 765,543 | 0.7% |
| Tourism | 1,089,966 | 1.0% |
| County Fair & Ag Expo | 686,343 | 0.6% |
| Transit Operation | 658,407 | 0.6% |
| Animal Control | 563,740 | 0.5% |
| Circuit Court Master Program | 793,132 | 0.7% |
| Alternative Sentencing Program | 282,946 | 0.2% |
| Solid Waste Recycling | 199,959 | 0.2% |
| Airport | 230,000 | 0.2% |
| Emergency Management | 308,461 | 0.3% |
| Soil Conservation | 224,847 | 0.2% |
| Agricultural Extension Agent | 213,727 | 0.2% |
| Home Detention | 401,923 | 0.4% |
| Liquor Board | 234,247 | 0.2% |
| Haz Mat | 91,400 | 0.1% |
| Family Law Master | 394,251 | 0.3% |
| 26 Services for 66% of Budget | \$ 75,190,762 | 66.1% |
| Total General Budget | \$ 113,696,028 | |

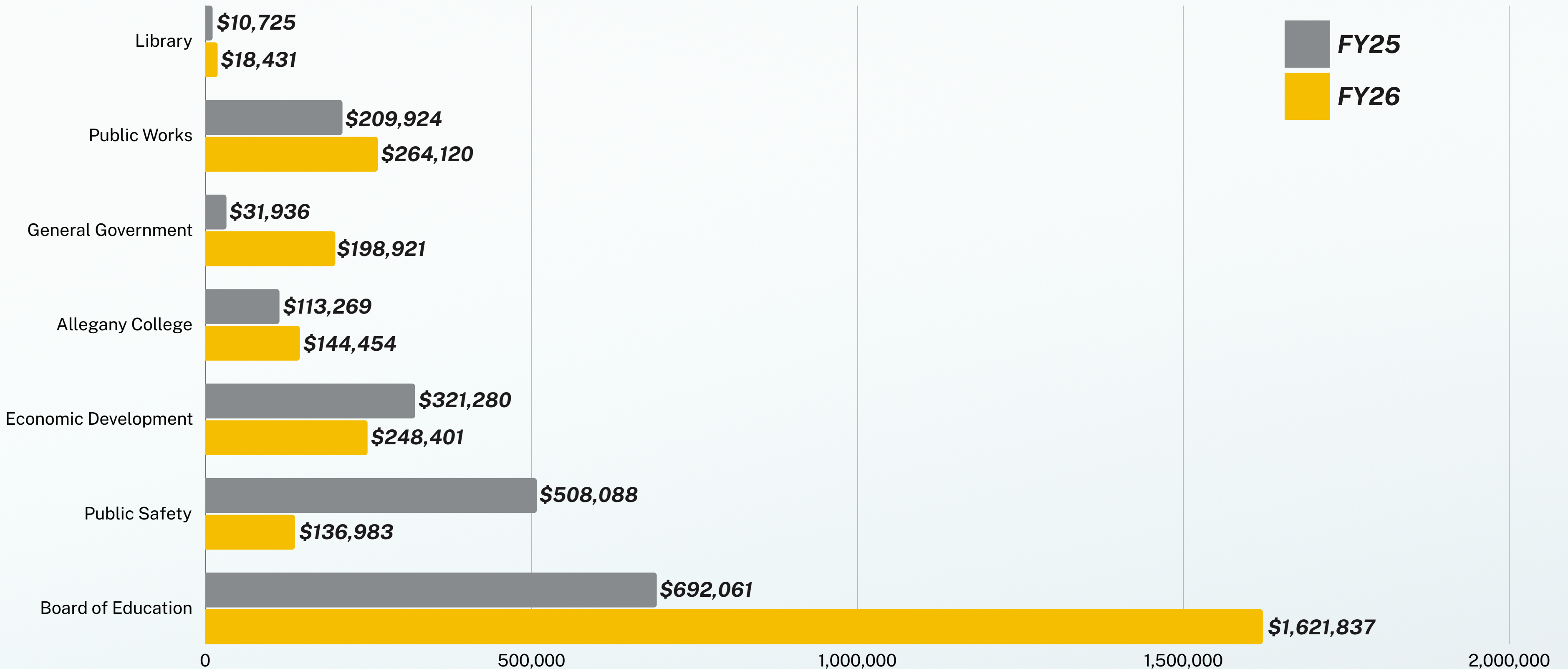
**SERVICES
NOT PROVIDED
BY MUNICIPAL
GOVERNMENT
INCLUDED IN THE FY26
GENERAL FUND
PRELIMINARY BUDGET**



PRELIMINARY BUDGET

Debt Service Transfer: \$2,633,147

The total cumulative amount of all departmental budget requests for the upcoming fiscal year, including both internal and external requests.



BUDGET INFORMATION



● Hearings

There will be preliminary budget hearings for public input during all meetings in May. Meetings will also be live streamed on our website.

- Thursday, May 1st at 5:00 PM
- Thursday, May 15th at 5:00 PM
- Thursday, May 29th at 5:00 PM

● Document Review

This document will be available on our website under Departments>Finance>Budget & Financial Reports.

● Questions

Please feel free to email and questions about this document to finance@alleganygov.org

● Final Adoption

Budget adoption is scheduled for May 29, 2025