City of Hyattsville

Hyattsville Municipal Building
4310 Gallatin Street, 3rd Floor
Hyattsville, MD 20781
(301) 985-5000
www.hyattsville.org

Agenda Regular Meeting

https://us06web.zoom.us/webinar/register/WN_tcnoYlEQR6a0jQetPGjUbg

Wednesday, March 18, 2026
7:00 PM

Virtual

CITY COUNCIL

Robert S. Croslin, Mayor
Joseph Solomon, Council President, Ward 5
Kareem Redmond, Council Vice President, Ward 3
Joanne Waszczak, Ward 1
Greg Barnes, Ward 1
Danny Schaible, Ward 2
Emily Strab, Ward 2
Gopi Dhokai, Ward 3
Edouard Haba, Ward 4
Michelle Lee, Ward 4
Kelson Nisbett, Ward 5

ADMINISTRATION
Tracey E. Douglas, City Administrator
Nate Groenendyk, City Clerk, 301-985-5001, cityclerk@hyattsville.org

Welcome to the City of Hyattsville City Council Meeting!
Your participation at this public meeting is valued and appreciated.

AGENDA/PACKET: The Agenda/Packet is available for review at the Hyattsville Municipal Building and online at www.hyattsville.org prior to the scheduled meeting (generally available no later than the Friday prior to the scheduled Monday meeting). Please note, times given for agenda items are estimates only. Matters other than those indicated on the agenda may also be considered at Council discretion.

AMERICANS WITH DISABILITY ACT: In compliance with the ADA, if you need special assistance to participate in this meeting or other services in conjunction with this meeting, please contact the City Clerk's Office at (301) 985-5009. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

AUDIBLE DEVICES: Please ensure all audible devices are turned off or otherwise not audible when the City Council is in session. Thank you.

PUBLIC INPUT: If you wish to address the Council during the Public Comment period, please use the "Raise Hand" feature in the virtual meeting interface. Participants may also submit statements electronically via email to cityclerk@hyattsville.org no later than two (2) hours prior to the start of the meeting. Submitted electronic statements will be sent to Councilmembers prior to the meeting and will not be read aloud. All participants shall remain respectful in their contributions and associated functions of the virtual meeting interface are not intended for public dialogue or discussion.

WAYS TO WATCH THE MEETING LIVE: City Council meetings are broadcast live on cable television channel 71 (Comcast) and channel 12 (Verizon). You may also view meetings live online at https://hyattsvillemd.portal.civicclerk.com.

REPLAY SCHEDULE: The meetings will be re-broadcast on cable television, channel 71 (Comcast) and channel 12 (Verizon) daily at 7:00 a.m., 1 p.m., and 8 p.m. Meetings are also able for replay online at www.hyattsville.org/meetings.

CITY INFORMATION: Sign up to receive text and email notifications about Hyattsville events, government, police and programs at www.hyattsville.org/list.aspx

INCLEMENT WEATHER: In the event of inclement weather, please call 301-985-5000 to confirm the status of the Council meeting.

Meeting Notice:
The Hyattsville City Council will hold its meeting on Wednesday, March 18, 2026 remotely via video conference. The Council meeting will be conducted entirely remotely; there will be no in-person meeting attendance.

The meeting will be broadcast live on cable television channel 71 (Comcast), channel 12 (Verizon), and available via live stream at www.hyattsville.org/meetings.

LANGUAGE TRANSLATION AND CLOSED CAPTIONING: The City of Hyattsville offers translation and closed captioning in over 50 languages for City Council Meetings via the Wordly platform. Follow the directions below to access the service:
-Go to: https://attend.wordly.ai/join/RAVY-6886
-Ensure the Session ID RAVY-6886 is displayed.
-Select Your Choice of Language and click on the "Attend" button.
-You can now read the captions on your device and/or listen to the translation of the City Council meeting.
If you have any questions or concerns, please contact info@hyattsville.org.

PUBLIC PARTICIPATION:
If you wish to address the Council during the Public Comment period, please use the "Raise Hand" feature in the virtual meeting interface. Participants may also submit statements electronically via email to cityclerk@hyattsville.org no later than two (2) hours prior to the start of the meeting. Submitted electronic statements will be sent to Councilmembers prior to the meeting and included in the official meeting record. Electronically submitted statements will not be read aloud. All participants shall remain respectful in their contributions and associated functions of the virtual meeting interface are not intended for public dialogue or discussion.

Members of the public who wish to comment during the virtual Council meeting must register in advance using the link below.
https://us06web.zoom.us/webinar/register/WN_tcnoYlEQR6a0jQetPGjUbg

1. Call to Order and Roll Call

2. Pledge of Allegiance to the Flag

3. Approval of Agenda

4. Public Comment (7:10 PM - 7:20 PM) Limit 2 minutes per speaker

5. Discussion Items (7:20 p.m. - 8:30 p.m.)

5.a. 2026-186 Tax Classification Discussion

For Discussion.

Sponsors: City Administrator

Department: Finance

Attachments:

6. Council Dialogue (8:30 p.m. - 8:40 p.m.)

7. Motion to Adjourn

City Council
March 18, 2026

Submitted by: Nate Groenendyk
Submitting Department: Finance
Agenda Section: Discussion Items

Item Title:
Tax Classification Discussion

Suggested Action:
For Discussion.

Legal Review Required?
Pending

Summary Background:
The City Treasurer and Budget Director will provide an overview of our City of Hyattsville FY26 year-to-date revenues and expenditures and the FY27 projected budget and financial outlook. The presentation will cover FY27 projected revenues and expenditures as well as potential funding gaps. The discussion will include requested updates to our City Code to establish real property tax classifications, including designations for single-family residential, townhouse residential, multi-family residential, commercial, and industrial properties. The staff will present the potential impact on City revenues based on tax rate classification changes and scenarios for tax rate adjustments.

The staff will also provide an overview of the remaining FY27 budget schedule.

Update on remaining budget schedule:
Budget Work Session (Tax Classification): March 18
Regular Council Meeting: March 23
Introduction of the Budget (Budget/Financial Overview; Present CA Memo Highlighting Priorities; and 4- 5 Department Presentations): April 8
2nd round Department Presentations: April 22
Release City Budget Guide: April
Public Hearing (Tax Rate): May 11
Council Budget Amendments: May 20
First Reading: May 26

Next Steps:
Changes to City Code are made through the adoption of a City Ordinance. City Ordinances require two readings before going into effect.

Fiscal Impact:
TBD

City Administrator Comments:

For discussion.

Community Engagement:
Residents are encouraged to attend Council meetings and work sessions and submit written or oral public comments. Residents are also encouraged to attend the public hearing scheduled for May, 11 2026.

Strategic Goals:
Goal 2 – Ensure the Long-Term Economic Viability of the City

Fiscal 2027 Budget: Council Work Session

Fiscal 2027 Budget Gap and Proposed Tax Increase

Finance Department & Administration

March 18, 2026

Agenda

Fiscal 2027 Snapshot

Revenue Enhancements

- Background on Property Tax Rates
- Gap Address & Scenarios

Fiscal 2027 Snapshot

Finance has been working with Departments to aggregate projected revenues and expenses for the upcoming Fiscal 2027 Budget.

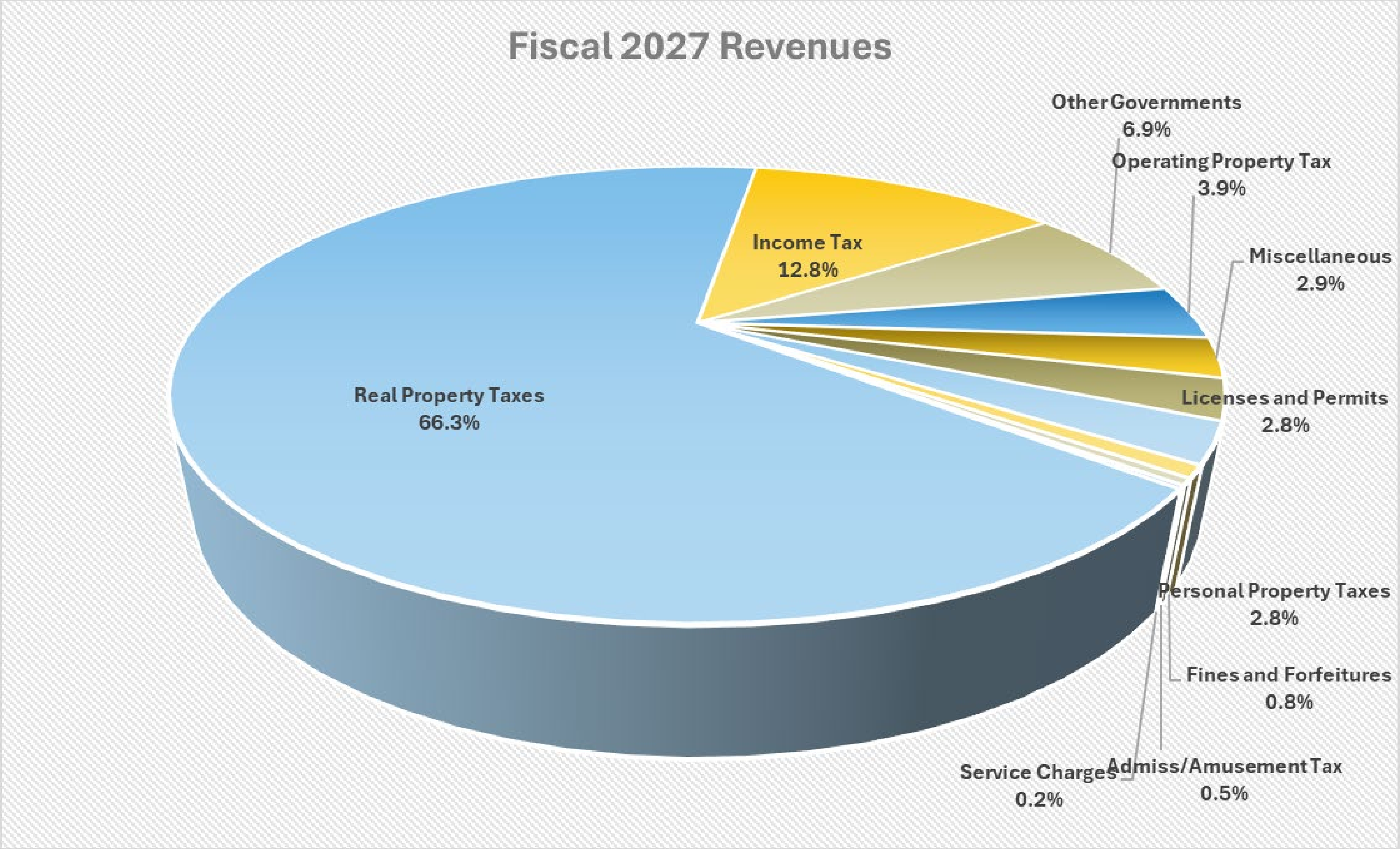
General Fund Revenue: Updated based on identified changes (tax property assessments, other fund sources)

General Fund Expenditure: Identify required current services (ex., accounting for current personnel salary and benefits costs, non-personnel obligated contracts, debt service)

The difference between Revenue and Expenditure results in a projected shortfall (gap) for the upcoming fiscal year.

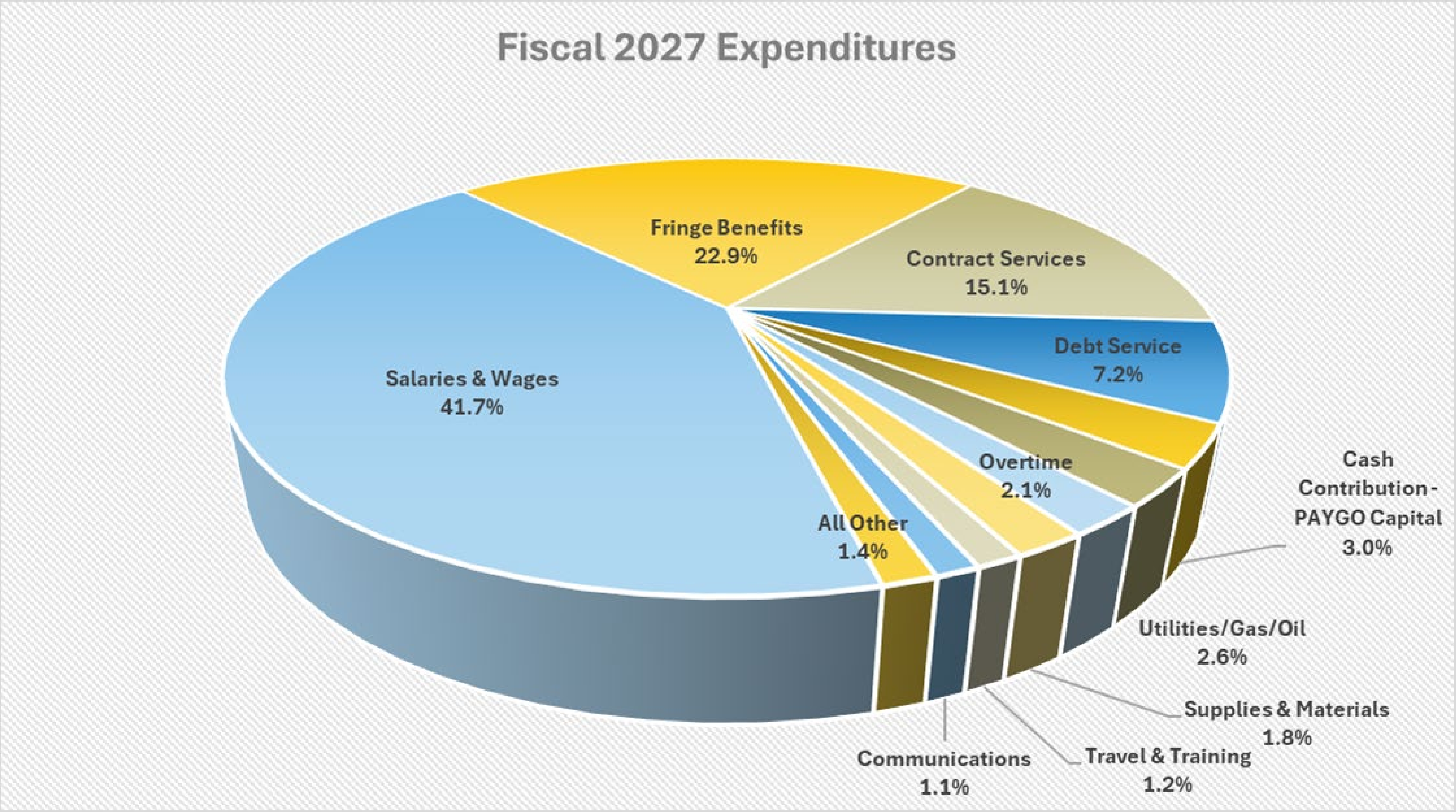
General Fund Revenue	$32.90M
General Fund Expenditure	$36.97M
Gap	**($4.07M)**

Fiscal 2027 Revenues - $32.98M



- **Real Property Taxes** make up the majority of General Fund revenues ($21.8M).
  - +11.4% over Fiscal 2026 budget
- **Income Tax** revenue ($4.2M) is the next largest revenue stream and accounts for about 1/8 of total revenue.
  - +6.8% growth from Fiscal 2026 budget
- **Other Governments** revenue represents the largest % growth.
  - +$825K from Fiscal 2026 due to HUR Revenue

Fiscal 2027 Expenditures - $36.97M



Personnel Costs make up 66% of the total budget.

- Salaries & Wages: $15.4M
- Fringe Benefits: $8.4M
- Overtime: $0.8M

Contract Services account for 15% of the total budget ($5.6M).

Transfers for Debt Service makes up 7.2% of the budget.

- This includes a $0.6M increase for vehicle replacement.

The Budget includes **build-ins for capital investment:**

- +$1.1M in cash for capital (ex.: road & sidewalk repairs, equipment replacement)
- This reflects only the operating budget cash contribution, not the full Capital Budget (CIP).

Addressing the Gap

To solve for the gap between revenue and expenditures, there are three options:

- Identify additional revenue sources
- Reduce current expenditures
- A combination of the prior two items

For purposes of the discussion today we will be focusing exclusively on **Tax Rates** (revenue side).

As part of the submitted budget, a combination of revenue and expenditures recommendations will be identified.

Background on Tax Rates

A draft ordinance is currently under review to identify new classifications of real property, to allow for establishment of different real property tax rates.

Currently, all non-exempt real property is taxed at the same rate of $0.63 per $100 of assessed value.

Proposed classifications:

- Single-family residential
- Townhouse residential
- Multi-family residential
- Commercial
- Industrial
- Vacant property
- Non-owner occupied

Classification and Share of Assessable Tax Base

Draft Ordinance Classification	Current Rate	0.6300	% of Assessable Tax Base
1	Residential - Subdivision	0.6300	39.5%
2	Townhouses - Residential	0.6300	19.1%
3	Multi-Family Residential (Apartments)	0.6300	16.1%
4	Commercial	0.6300	24.7%
5	Industrial	0.6300	0.7%

***Note:** a vacant property tax rate and non-owner occupied rate is not included here, as Finance is still working to identify appropriate data sources to incorporate vacant property information into the analysis. Condominium properties were not identified in the initial draft legislation but will be captured in future iterations of the proposed ordinance.*

Scenarios: Full Gap Address via Tax Revenue

To cover the current Fiscal 2027 gap, a combination of revenue and expenditure options will be put forward in the proposed budget. However…

SCENARIO 1: if the City looked to address the gap *exclusively* through a broad-based tax increase to real property, the rate across all property would need to be increased from **$0.63** to **$0.74** – a 17.5% increase.

This is only presented to demonstrate the revenue requirement, and is not intended to be the “solve” for the budget gap.

Scenarios: Partial Gap Address via Tax Revenue

Scenario 2: If the City moved to make up a portion of the gap through real property tax rate changes (with the remainder coming other expenditure reductions or revenue increases, here are a few pre-developed scenarios and results with identified fiscal impact:

- Scenario 2A: Establish slight increases to Multi-Family Residential, Commercial, and Industrial property tax rates, while maintaining Residential (Single-Family Residential and Townhouse Residential) property tax rate.

Class	Tax Rate Adjustment	Impact to Tax Revenue ($M)
Single-Family Residential	-	-
Townhouse Residential	-	-
Apartment	+$0.01	$0.060
Commercial	+$0.01	$0.082
Industrial	+$0.02	$0.005
Total		**$0.147**

Scenarios: Partial Gap Address via Tax Revenue

Scenario 2: If the City moved to make up a portion of the gap through real property tax rate changes (with the remainder coming other expenditure reductions or revenue increases, here are a few pre-developed scenarios and results with identified fiscal impact:

- Scenario 2B: Establish moderate increases to Multi-Family Residential and Industrial property tax rates, while maintaining Commercial and Residential (Single-Family Residential and Townhouse Residential) property tax rate

Class	Tax Rate Adjustment	Impact to Tax Revenue ($M)
Single-Family Residential	-	-
Townhouse Residential	-	-
Apartment	+$0.05	$0.297
Commercial	-	-
Industrial	+$0.10	$0.005
Total		**$0.302**

Scenarios: Partial Gap Address via Tax Revenue

Scenario 2: If the City moved to make up a portion of the gap through real property tax rate changes (with the remainder coming other expenditure reductions or revenue increases, here are a few pre-developed scenarios and results with identified fiscal impact:

- Scenario 2C: Establish larger increases to Multi-Family Residential and Industrial property tax rates, and a small increase to Commercial tax rate, while maintaining Residential (Single-Family Residential and Townhouse Residential) property tax rate

Class	Tax Rate Adjustment	Impact to Tax Revenue ($M)
Single-Family Residential	-	-
Townhouse Residential	-	-
Apartment	+$0.15	$0.892
Commercial	+$0.02	$0.165
Industrial	+$0.20	$0.054
Total		**$1.111**

Further Scenario Generation

- The above instances represent examples of potential scenarios. **Finance will work with Council on any future requests for additional scenarios/**
  - For back of the envelope calculations:

Draft Ordinance Classification	Current Rate	0.6300	% of Assessable Tax Base	Value of $0.01 rate change
1	**Residential - Subdivision**	0.6300	39.5%	$0.15M
2	**Townhouses - Residential**	0.6300	19.1%	$0.07M
3	**Multi-Family Residential (Apartments)**	0.6300	16.1%	$0.06M
4	**Commercial**	0.6300	24.7%	$0.08M
5	**Industrial**	0.6300	0.7%	<$0.01M

Reminder – Timeline/Next Steps

In order to change tax classifications for the upcoming fiscal year, the following steps will need to be executed.

- First, the Ordinance to establish any changes to tax classifications must be passed by City Council.
  - **Est. date for action: April 13th (1st reading) and April 27th (2nd reading)**
- Next, the City is required to publish notice of a public hearing regarding an increase to a tax classification rate.
  - **Notice will be published either April 23rd or April 30th**
- Finally, a public hearing must be held on the tax rate increase.
  - **Public Hearing: May 11th**

Questions/Feedback