

Yoga at Downrush Vista



Summer Camp



Race to the Bottom



Eve of Independence



Bridgewater

A BETTER LIFE

FY2025 Budget



Christmas Parade

Riverwalk



Veterans Park



Gaga Pit at Whitelaw Park

Tree Lighting at Gen Park



Halloween at Oakdale

Bridgewater Citizens,

The classic Andy Williams song, "It's the Most Wonderful Time of the Year" refers to the Christmas season, of course, but I find myself humming it during the budget season. Preparing the budget involves a lot of work (much like preparing a Christmas feast, I suppose), but it also allows us to see possibilities beyond the daily grind.

If you think of the budget as an annual plan for how we will spend money, you're not wrong, but you're missing the fun part. Through the budget process, the Council visualizes a proper future for our townspeople (*A Better Life™*, if you will). And the budget itself charts a course to that future. As you're reading the budget, ask yourself about the future it paints.

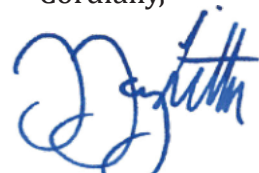
For example,

- Our top two spending categories are parks and police, so you can infer that the Council values recreation and safety.
- The Council is appropriating over \$350,000 to the reserve account created in FY2020, suggesting that it wants to protect your children and grandchildren from financial calamity. (By the way, the fund just surpassed \$1,000,000!)
- The budget continues to appropriate a relatively small sum of \$50,000 toward the Convocation Hall project, indicating that it is important, but probably not quite affordable to us yet. (And yes, we do know that getting a grant would be a good idea.)

While the budget is indeed a roadmap to our dreams as a Town, it is also very much a document grounded in financial reality. This reality exists in two dimensions: it recognizes our **expected** level of funding and our **proper** level of taxation. The former is just a few calculations in a spreadsheet but the latter is the Council's philosophy of taxation. The budget includes no tax increases, suggesting that the Council sees the current level of taxation as about right. It also reflects a three-way split of the tax burden among residents, institutions, and out-of-towners. These twin realities also apply to our enterprise accounts, such as water and sewer. As usual, the budget increases these fees by an inflationary factor. That's because allowing our utility infrastructure to deteriorate would be a false economy. We don't fancy fancy things, but we do need things that won't break down.

So as you read the budget, please know that each line tells a story of who we want to be and how we want to get there.

Cordially,



J. Jay Litten, Esq.
Town Manager

By the numbers...
 Current CPI: 3.30%
(at the time of budget formulation)
 Current CPI-Utilities: 5.19%
 HRRSA Sewer Increase: 3.35%
(effective increase to Bridgewater)
 Waste Management Increase: ≈ 5.19%

Meals Tax Rate: No Change
 Utility Tax Rate: No Change
 Personal Property Tax Rate: No Change
 BPOL Tax Rate: No Change
 Personal Property Tax Rate: No Change
 Real Property Tax Rate: No Change
(As we're fond of saying, "Zero plus zero percent is zero.")

Water Service Rate Change: 5.19%
 Sewer Service Rate Change: 5.19%
 Stormwater Rate Change: 5.19%
 Sanitation Rate Change: 5.19%

Typical Base Wage Increase: 3.35%
 Average Overall Wage Increase: 5.0%

Average Family Cost Index

For the past few years, we've compiled something we call the Average Family Cost Index ("AFCI") which tracks residential taxes and also fees for utilities, refuse service, recycling, and stormwater. It serves as a rough indicator of the cost of living in Bridgewater. To provide another point of reference—and to make this a little more fun—we also compile something we call the "Big Mac Index," which simply converts the AFCI into two all-beef patties, special sauce, lettuce, cheese, *etc.*, *etc.*

| | FY21 ending 6/30/2021 | FY22 ending 6/30/2022 | FY23 ending 6/30/2023 | FY24 ending 6/30/2024 | FY25 ending 6/30/2025 |
|-----------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| AFPI | \$115.40 | \$118.04 | \$123.57 | \$129.98 | \$136.19 |
| Big Macs | 20.21 | 20.85 | 21.27 | 21.85 | 22.89 |

Big Mac Statistics: The Economist for the early years, and our local McDonald's for the later years.


Our updated numbers show that it costs about \$136 per month to live in Bridgewater, or approximately 23 Big Macs. Much to our surprise, our local McDonald's did not increase the cost of their Big Mac over the past year!

Bravo, McDonald's! (In this inflationary climate, some businesses are keeping prices steady but reducing the quantity or size of what you purchase. While we aren't accusing our friends at McDonald's of shrinkflation, just rest assured that a gallon of Bridgewater's finest water is still exactly one gallon.) To congratulate McDonald's, we will be serving Big Macs at this year's budget hearing.


Anyway, we feel pretty good about the value we provide, but we also recognize that the AFCI represents a significant investment on your part. We very much want you to feel that your money is being well spent.

For FY25, there are no planned tax increases. Most utility fees, however, are budgeted to increase by 5.19%. This figure is the Department of Labor's Consumer Price Index For Water, Sewer, and Trash Collection. The more general CPI is hovering around 3.3% at press time. (It is not unusual for shifts in the CPI-WST to lag behind the general CPI a bit.)


The all-in cost for water, sewer, drainage, street maintenance, snow-plowing, police coverage, parks, ice skating, B-Free movies, and everything else is **0.75 Big Macs per day per household.**




Look for these important notes in the budget report:




Key Budget Points



Questions Addressed



Follow-Up



Drill-Down

Public Hearing for Comments on the FY25 Budget
Tuesday, April 23, 7:00 pm at Sipe Center

Year 2025 Budget Summary

| Budget Category | Revenues | Expenditures | Surplus (deficit) |
|-----------------------|---------------------|---------------------|-------------------|
| General Fund | \$6,021,069 | \$6,799,021 | (777,952) |
| Sanitation Department | 687,100 | 838,500 | (151,400) |
| Sewer Department | 2,398,513 | 1,522,275 | 876,238 |
| Water Department | 1,504,280 | 1,444,433 | 59,847 |
| Stormwater Management | 191,100 | 197,833 | (6,733) |
| Total: | \$10,802,062 | \$10,802,062 | \$0 |

Passports

After taking a pause during the COVID-19 pandemic, the Town was reinstated as a passport acceptance facility in January 2023. During this down time, however, we completed renovations of the first floor, including the construction of two new conference rooms. This allows us to have a comfortable and confidential space for applicants to sit down and meet with us as we review their passport documents.

We process applications for first-time passport applicants and for those whose passports have been expired for five or more years. (We cannot process passport renewals, but we can provide forms and answer general questions.) We also offer passport photo services. Passport photos are FREE for Town residents who present their B-Rec card (and if you don't have one of those yet, we can get you registered for that, too.)

We accept passport applications by appointment. Call B-Connected at (540) 908-4212, and we can schedule a time for you to come in.



Joyce Bentz processes a passport application.

What's next for Riverwalk?

We have procured an engineering firm to design the third phase of Riverwalk. Riverwalk, Phase III will continue our permeable paver path east from Edgebriar Park along East Riverside Drive and terminate at Hatcher Drive adjacent to the Bridgewater College softball field. Our engineer has completed 30% plans for Riverwalk III, which is funded by a VDOT Transportation Alternatives grant that will cover 80% of all project costs.

Our FY25 budget shows \$32,000, which will complete the design of Riverwalk Phase III. We hope to bid the project in calendar year 2025 and construct the project in FY26.



Riverwalk Phase III will extend Riverwalk further east along East Riverside Drive.

Year 2025 Budget General Fund Revenues

| General Fund Revenue | FY 2024 | FY 2025 |
|-------------------------------|------------------|------------------|
| General Property Taxes | | |
| Real Property Tax | \$0 | \$0 |
| Public Service Corporations | 0 | 0 |
| Personal Property Tax | 382,500 | 367,200 |
| Personal Property Tax (PPTRA) | 102,000 | 102,000 |
| Penalties and Interest | 2,400 | 3,000 |
| Total: | \$486,900 | \$472,200 |

| Other Local Taxes | FY 2024 | FY 2025 |
|-------------------------|--------------------|--------------------|
| Local Sales and Use Tax | \$317,700 | \$371,500 |
| Communications Tax | 63,500 | 60,000 |
| Consumption Tax | 22,000 | 22,800 |
| Vehicle Rental Tax | 10,000 | 1,100 |
| Consumer Utility Tax | 755,900 | 758,800 |
| Cigarette Tax | 40,100 | 13,500 |
| Business License Tax | 242,700 | 251,300 |
| Bank Stock Tax | 198,600 | 211,100 |
| Meals Tax | 1,167,800 | 1,167,800 |
| Occupancy Tax | 5,100 | 11,800 |
| Total: | \$2,823,400 | \$2,869,700 |

| Local Fees | FY 2024 | FY 2025 |
|------------------------|------------------|------------------|
| Motor Vehicle Licenses | \$89,700 | \$94,500 |
| Right-of-Way | 17,700 | 15,800 |
| Local Passport Fees | 4,000 | 8,000 |
| STR Registration Fee | 50 | 275 |
| Total: | \$111,450 | \$118,575 |

| | | |
|-----------------------------------|-----------------|-----------------|
| Zoning and E&S Permits | \$10,400 | \$4,700 |
| Fines and Forfeitures | \$16,300 | \$19,400 |

| Revenue from the Use of Money and Property | FY 2024 | FY 2025 |
|--|------------------|------------------|
| Interest on Bank Deposits | \$62,100 | \$80,000 |
| Rental of General Property | 10,000 | 15,000 |
| Rental Fees-Doug Will Tennis | 23,100 | 25,100 |
| Rental Fees-Generations Park | 122,400 | 122,800 |
| Golf and Mini-Golf Fees | 47,300 | 48,100 |
| Sipe Center Revenues | 228,900 | 242,700 |
| Public Communications Rental | 73,800 | 98,750 |
| Sale of Materials | 8,700 | 10,000 |
| Total: | \$576,300 | \$642,450 |

Local-ish Taxes
The auditors classify sales, communications, vehicle rental, and consumption as local taxes, but they are assessed and administered by the state. Our involvement is to (gratefully) accept the check.

B! **Fines & Forfeitures**
You may have seen data indicating that we have received more than this amount from the Main Street photo-enforcement program. Indeed we have, but we don't budget for photo-enforcement revenue because we earnestly hope that it will soon be nil. Seriously.

| General Fund Revenue | FY 2024 | FY 2025 |
|------------------------------------|-----------------|-----------------|
| Miscellaneous and Donations | | |
| Miscellaneous Income | \$13,200 | \$13,000 |
| Gifts and Donations | 1,000 | 1,000 |
| Town of Mt Crawford | 72,200 | 72,300 |
| Programming Revenue | 9,000 | 9,400 |
| Total: | \$95,400 | \$95,700 |

| Categorical Aid | FY 2024 | FY 2025 |
|----------------------------|-----------|-----------|
| VDOT Secondary Maintenance | \$637,300 | \$762,100 |
| VDOT Primary Maintenance | 212,400 | 260,000 |
| Litter Control Grant | 4,000 | 6,200 |
| Law Enforcement Funds | 154,300 | 162,300 |
| Overweight Permit Fees | 400 | 600 |
| Riverwalk, Phase II Grant | 177,480 | 0 |
| Riverwalk, Phase III Grant | - | 32,000 |

| | | |
|-------------------------------------|--------------------|--------------------|
| HEAT Grant for Cameras | - | 12,500 |
| Lamez Crossing Grant | - | 0 |
| Gen-Oak Connector Grant | 202,512 | 0 |
| Police Asset Forfeiture Carry Fwd | 24,000 | 0 |
| ARPA funds carried forward | 960,097 | 562,644 |
| Total: | \$2,372,489 | \$1,798,344 |
| Total General Fund Revenues: | \$6,492,639 | \$6,021,069 |

Year 2025 Budget General Fund Expenditures

| General Fund Expenditures | FY 2024 | FY 2025 |
|--|--------------------|---------------------|
| Police and Public Safety | | |
| Personal Services | \$672,661 | \$684,400 |
| Fringe Benefits | 195,220 | 242,200 |
| Overtime | 30,000 | 33,500 |
| Contractual Services | 45,000 | 45,000 |
| Axon In-Car Cameras | - | 10,400 |
| Auto Repair | 11,000 | 10,900 |
| Gas, Oil Tires | 23,000 | 29,500 |
| Other Charges | 35,000 | 43,500 |
| Capital Outlay | 121,000 | 95,500 |
| Potential Donations to Volunteer Fire & Rescue Squads | 30,000 | Moved to Comm. Dev. |
| Total: | \$1,162,881 | \$1,194,900 |
| Highways, Streets, & Sidewalks | | |
| Personal Services | \$126,013 | \$160,900 |
| Fringe Benefits | 57,599 | 64,000 |
| Contractual Services | 83,000 | 83,000 |
| Street Paving | 375,000 | 275,000 |
| Street Lights | 97,215 | 104,333 |
| Gen-Oak Connector | 277,700 | 0 |
| Stoplight Cabinets | - | 100,000 |
| Capital Outlay | 50,000 | 80,000 |
| Other Charges | 50,000 | 50,000 |
| Total: | \$1,116,527 | \$917,233 |
| General Properties (incl. Greenwood & Ames) | | |
| Personal Services | \$247,656 | \$224,400 |
| Fringe Benefits | 93,284 | 86,700 |
| Contractual Services | 85,000 | 120,000 |
| Other Charges | 31,000 | 34,000 |
| Capital Outlay | 150,000 | 150,000 |
| Contingency | 32,550 | 0 |
| Total: | \$606,940 | \$615,100 |
| Public Works | | |
| Personal Services | \$177,970 | \$189,600 |
| Fringe Benefits | 47,818 | 55,600 |
| Consulting – BURM | - | 10,000 |
| Contractual Services | 22,500 | 30,400 |
| Other Charges | 2,000 | 3,100 |
| Total: | \$250,288 | \$288,700 |

P = P + 1

Though the Police Department is charged with upholding the law, the FY25 budget shows that they are flagrantly violating the laws of mathematics. They will put another officer on the streets **without** adding another officer to the payroll.

There's no magic involved. The Police will just be shifting some things around after an officer retires. The retiring officer had been doing mostly administrative work, but her replacement will be more directly engaged in enforcement. The administrative work will be shifted over to an employee who will split time between the police and Public Works.

So everybody wins! (Except criminals, but that's kind of the point.)

B! **Fire & Rescue Donations**

We have consolidated all donations under the Community Development budget. See page 10 for more details.

Smarter Stoplights

Our four stoplights from Turner Ashby Drive to Mt. Crawford Avenue are working pretty well these days (though we are engaging some traffic gurus to tighten up the AI a little). The stoplight at Dinkel Avenue is much less aware, and the light at College Street can be downright cranky.

The proposed budget would invest \$100,000 to bring our two southernmost lights up to the same standard as the other four. All six lights would then be networked together, feeding information from one to another. Our primary goal is to ensure that folks don't have to wait at red lights for no reason.

The new system should also make our pedestrian signals work more reliably. So if you have been jaywalking because you don't trust the signals, that justification will soon be gone. Just saying.

Year 2025 Budget General Fund Expenditures

Midtown Connector

We're working hard these days on the Midtown Connector, though it might be a year or two (or four or five) before any construction is done. If you don't know, the Connector will be a street tying together North River Road and Mt. Crawford Avenue. It is designed to accomplish two related goals. First, it will provide a badly needed crossing of Main Street, because in the early 20th century, the Town apparently forgot that people might want to get from one side of Main to the other. And second, it will eliminate the need to turn left from North River Road onto Main, thereby making life a little less anxious for all of us. (Our current plans are to keep the Main/North River Road intersection open, but limit it to right turns.)

As we plan the Connector itself and acquire properties, we are also trying to make Midtown look a little nicer. Veterans Park was a start. Then we installed the artificial turf test bed slightly to the north. We have now sold 429 North Main Street, and the new owner plans to install an office there and a coffee shop. (He has also agreed to paint the building.) A local artist has agreed to transform 423 North Main into a gallery and instructional area. (We will need to find a different location for her in a few years, because 423 will need to be razed for the Connector.)

427 North Main (the former Sergio's building) has endured some bad luck. We have tried to find a pharmacy for the building, but one pharmacist broke an engagement with the building and another left it at the altar! We're still working on the pharmacy issue, but the state of the pharmacy industry in this country is dire, so we're also looking for other uses for the building.

Midtown Connector will provide a crossing of N Main Street and eliminate the need for left turns from North River Road.

? What is the BURM?

The BURM is the "Bridgewater Utility Reference Manual," which sets standards for land development in Town. (We may change the name. While we appreciate a good pun around here, a "BURM" which controls berms is cringeworthy.) Some sections of the BURM are pretty straightforward, like the species of grass to be planted alongside new streets: "Kentucky 31 Fescue." Other sections are far more esoteric, such as the formula for the maximum leakage of a water main when hydrostatically tested:

$$L = \frac{ND\sqrt{P}}{7,400} \text{ or } L = \frac{SD\sqrt{P}}{148,000}$$

It is a good idea to update the BURM every couple of years, and the \$10,000 in this years' budget is for engineering assistance with the complicated stuff.

Who Pays Town Taxes?

Tax Dollars Paid By

No one likes thinking about taxes, much less having to pay them. Yet taxes are an essential stream of revenue for providing the many services we enjoy as residents of Bridgewater. In this proposed budget, taxes are projected to cover 47.6% of the \$6.8 million general fund budget. Given the necessity of having taxes fund such a large portion of the day-to-day operations of the town, how is it that we decide what activities are taxed and at what rate? In short, how do we decide who pays Town taxes and how much?

Setting tax rates is a complicated issue with many factors to consider. There are, however, a few guiding principles that we use:

- **Balancing the burden:** Our tax base is comprised of three groups: residents, visitors, and businesses. (When we refer to “businesses” here, we’re including all kinds of non-profit institutions.) We strive to balance the taxes paid by each group so no one group bears an unfair burden. In the proposed FY25 budget, businesses will pay 41% of all taxes, while residents and visitors will pay 29% and 31%, respectively.
- **Scaling with inflation:** We prioritize taxes that scale with inflation, such as the meals tax. As meal prices increase, so does the tax revenue. This means that we can continue to provide the same level of service without needing to raise tax rates.
- **Maintaining tax rates:** Speaking of raising taxes, we prefer not to increase rates if possible. Thus this year, as in most, we are proposing no changes to tax rates.
- **Taxing use of services:** We believe it is fairer to tax the use of services. So we rely largely on the meals tax and consumer utility tax while maintaining our real estate tax at 0%.

State-Levied Taxes

Sales Tax – \$371,500: This tax is really impossible to apportion accurately between residents and visitors, so we show it split evenly floating above the two columns in our graphic. Essentially, all sales tax generated in Rockingham County goes into a single pot. The state sets our share of the pot at our percentage of school-age children in the County. So “buying Bridgewater” helps, but so does having more kids. (“Buying Rockingham” rather than in other counties or cities helps as well, but we are of course biased toward Bridgewater businesses.) In short, buy in Bridgewater (or Rockingham), and your tax money stays here.

Communications Tax – \$60,000: As seen on your phone, internet, and cable bill, the Commonwealth collects this tax and distributes a share to the Town.

Consumption – \$22,800: Similar to the Communications Tax, the Commonwealth sets this tax on the use of energy utilities (e.g., electricity and natural gas) and passes on a share to the Town.

Vehicle Rental – \$1,100: This line item reflects the rental of vehicles and/or equipment by some of our local businesses. Unfortunately we do not see the benefit of the tax on your Enterprise rental car or use of Uber.

Town-Levied Taxes

Meals Tax – \$1.17 million: Any time you or a visitor frequents one of our fine culinary establishments in Bridgewater, the restaurant collects a tax that funds about a sixth of our general fund budget. This is the primary way in which visitors are included in our tax base and how we bring in a revenue stream from outside.

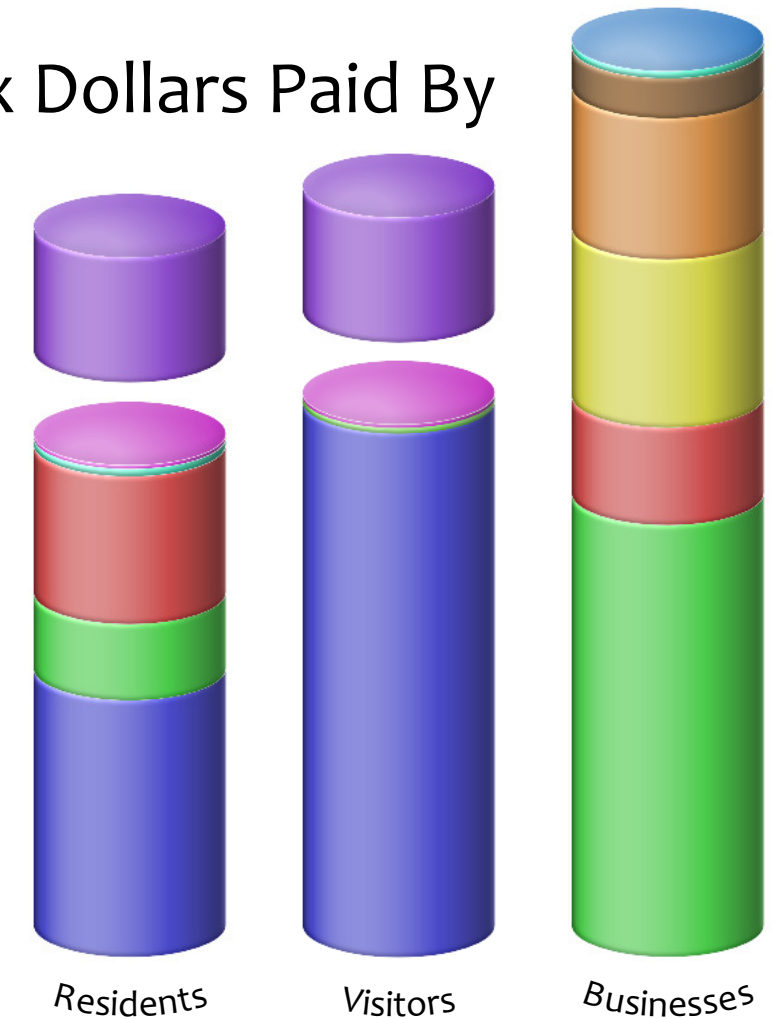
Consumer Utility Tax (CUT) – \$758,800: Each month as you pay your electric bill and/or natural gas bill, the total includes the consumer utility tax which the energy company passes on to the Town.

Business License Tax – \$251,300: Our businesses must obtain a license to operate in the Town and, with the exception of restaurants and banks, pay a tax based on their gross receipts. “Buying Bridgewater” helps not only our local businesses but also the Town.

Bank Stock Tax – \$211,100: Banks are taxed differently than other businesses since they do not have the same type of gross receipts from sales or services. They are instead taxed based on their total deposits at the local branch. So “banking Bridgewater” supports our Town.

Personal Property Tax – \$367,200: Residents and businesses pay 75 cents per \$100 of assessed value on vehicles. This is separate from the County’s personal property tax of \$3 per \$100 of value. County tax money funds the school system, fire & rescue services, landfill, and other services enjoyed by Town residents. So this is not a case of being double-taxed but of paying for two distinct sets of services from two providers.

Cigarette Tax – \$13,500: We assess a tax of 10 cents per pack on the sales of cigarettes in the Town.



The projected taxes paid by residents, visitors, and businesses are shown in this graph. Each color represents a different type of tax as described in the key on these pages.

Occupancy – \$11,800: We have a few short-term rentals (e.g., AirBnB properties) operating in the Town. As out-of-towners book stays in our fair Town, they generate a modest amount of tax revenue.

Not Pictured

Real-estate Tax – \$0.00: No, the Bridgewater real-estate tax didn’t miss picture day. You can’t find it pictured in the graphic because it doesn’t exist! (It’s a rookie mistake to call us and say you haven’t received your real-estate tax bill from us.) The County does, however, have a real-estate tax which you pay for its services.

Year 2025 Budget General Fund Expenditures

? Why are we switching to private mowing contractors?

Actually, we're trying to switch *away* from them. Last year, we didn't budget for them (as shown at right) but we had to use them because we were acutely shorthanded on our maintenance staff.

We have been working hard to fill out our staff, and we very much hope that we don't need private contractors this year. The budget line is there just in case.

Wrench Oakdale Park

We'll be continuing to make improvements to Oakdale Park, as we can afford them. In 2023, we built the stormwater pond, which turned out to be a beautiful addition. (By the way, we *have* stocked the pond, but you'll need to wait until mid-2025 or so to go fishing.) The proposed budget dedicates \$100,000 to repaving the road. That money won't go very far, but we should at least be able to repair the damage done when we built the pond. We hope to continue dedicating \$100,000 or so to the Oakdale road annually until it is all repaved.



We see a lot of folks playing soccer in the Oakdale field, so the FY25 budget includes funds for two soccer goals. One goal will even have goalposts for kicking field goals, so whether your game is football or *fútbol*, you should be able to have some fun!

| General Fund Expenditures | FY 2024 | FY 2025 |
|--|------------------|------------------|
| Parks | | |
| Personal Services | \$189,453 | \$233,100 |
| Fringe Benefits | 81,008 | 89,600 |
| Private Mowing Contractors | - | 67,500 |
| Contractual Services | 90,000 | 90,000 |
| Other Charges | 51,000 | 51,000 |
| Riverwalk, Phase II | 261,100 | 0 |
| Riverwalk, Phase III | - | 40,000 |
| Capital Outlay | 67,000 | 108,250 |
| Convocation Hall Fund | 50,000 | 50,000 |
| Total: | \$789,561 | \$729,450 |
| Recreation | | |
| Personal Services | \$129,903 | \$212,700 |
| Fringe Benefits | 38,864 | 66,100 |
| Contractual Services | 60,000 | 60,000 |
| Other Charges | 32,000 | 32,000 |
| Total: | \$260,767 | \$370,800 |
| Sipe Center | | |
| Personal Services | \$86,057 | \$92,800 |
| Fringe Benefits | 29,743 | 30,500 |
| Live Performances | 144,151 | 144,900 |
| Movies | 31,153 | 37,000 |
| Contractual Services | 47,882 | 47,800 |
| Capital Outlay | - | 37,000 |
| Other | 20,000 | 40,000 |
| Total: | \$358,986 | \$430,000 |
| Community Development | | |
| Personal Services | \$59,535 | \$29,400 |
| Fringe Benefits | 17,016 | 12,000 |
| Festivals & Entertainment | 65,875 | 72,950 |
| Contractual Services | 23,000 | 23,000 |
| Passport Processing | 800 | 800 |
| Connections ELC | 100,000 | - |
| Current Printing & Mailing | 10,000 | 10,000 |
| Other Expenses | 31,000 | 31,000 |
| Community Donations <i>Includes Fire & Rescue Donations</i> | 10,000 | 65,000 |
| Total: | \$358,986 | \$244,150 |

Year 2025 Budget General Fund Expenditures

B! Community Donations

This year, we have aggregated all of our donations into the Community Development budget. The idea is to better reflect the reality that we work with a limited pool of funds and contributing more to one group often means contributing less to another. The proposed budget reflects our best sense of how much a donation would benefit the people of Bridgewater. In making this impossible judgment, we consider the group's mission, their effectiveness, and their other resources.

Using ARPA funds, we have assisted Connections Early Learning Center with their startup by contributing \$100,000 per year. With the ARPA program winding down, we have reduced the donation to \$20,000. We hope this donation will still be useful to the Center in providing badly needed childcare and early education to the community.

People Helping People didn't ask for a penny, but they also made the list. We simply noticed the assistance they provided to some of our citizens who couldn't afford to pay utility bills. The law doesn't allow us to cut people much slack, so People Helping People is providing a service to our, umm, people, which we can't provide ourselves.

We do monitor our donations. Organizations receiving over \$5,000 from us must supply their IRS Form 990, and staff has been directed to find some verifiable way to ensure that all of our donations go to benefit townspeople.

See the full list of donations at bridgewater.town/donations or use this QR code.



B! Principal Reduction

Yay us! We paid off the debt on the land housing our Town Shop, the Rescue Squad, and the Sentara facility and more on Don Litten Parkway.

| General Fund Expenditures | FY 2024 | FY 2025 |
|---|--------------------|--------------------|
| Town Council | | |
| Personal Services | \$40,192 | \$41,700 |
| Fringe Benefits | 3,074 | 3,300 |
| Other Charges | 1,200 | 2,000 |
| Total: | \$44,466 | \$47,000 |
| Town Manager's Office | | |
| Personal Services | \$437,053 | \$489,700 |
| Fringe Benefits | 113,073 | 157,900 |
| Contractual Services | 20,000 | 20,000 |
| Other Charges | 13,000 | 15,000 |
| Total: | \$583,126 | \$682,600 |
| Treasurer | | |
| Personal Services | \$186,545 | \$203,300 |
| Fringe Benefits | 58,098 | 72,500 |
| Contractual Services | 27,000 | 27,000 |
| Other Charges | 5,000 | 5,000 |
| Total: | \$358,986 | \$307,800 |
| Economic Development | | |
| Personal Services | \$25,633 | \$34,100 |
| Fringe Benefits | 9,073 | 13,300 |
| Contractual Services | 12,000 | 12,000 |
| Other Charges | 1,000 | 1,000 |
| Total: | \$47,706 | \$60,400 |
| Insurance and Consultants | | |
| Town Attorney | \$33,000 | \$35,000 |
| Independent Auditor | 55,650 | 55,700 |
| Insurance & Bonding | 135,000 | 160,000 |
| Total: | \$223,650 | \$250,700 |
| Debt Service | | |
| Principal Reduction | \$207,869 | \$190,579 |
| Independent Auditor | 89,994 | 77,925 |
| Total: | \$297,863 | \$268,504 |
| Addition to Reserves | \$317,700 | \$371,500 |
| Additional Reserve (Utilities) | 0 | 0 |
| Contingency | \$32,550 | \$20,184 |
| Total General Fund Expenditures: | \$6,686,881 | \$6,799,021 |

Year 2025 Budget Enterprise Fund Revenues and Expenditures

F! **Service Line Inventory**
The Federal Environmental Protection Agency (EPA) has recently strengthened its drinking water standards related to lead and copper. In 2021 the EPA revised the Lead and Copper Rule requiring water systems to identify and make public the locations of lead service lines. The revised requirements protect public health to an even greater degree by reducing exposure to lead in drinking water. All water suppliers must provide a complete inventory of service lines, including the material type of the privately owned portion and the utility-owned portion. This inventory must be completed by October of 2024.

We have been chipping away at this task. Initially, our time was spent searching historical records and building permits to begin the identification process. Currently, the Town is inventorying each water service line to determine the pipe's composition. This inventory will direct complete lead service line replacements in the near future.

? **What is the Breezewood Vault?**
The Breezewood Vault is not where we keep our hidden cache of gold (a secret we'll not reveal here). Instead it is an underground compartment where we house equipment needed to provide reliable water pressure to Breezewood Terrace.

Breezewood is our most difficult area to serve because it sits higher than the Water Treatment Plant. We want to provide reliable, steady pressure, and we would like to avoid burned-out pumps and above-ground pressure tanks.

Over time, we have built a system which works when it works, which is not enough of the time. This year's budget provides funds to start with a clean sheet of paper and implement a system that works reliably and can be repaired quickly.

Water Department

| Revenues | FY 2024 | FY 2025 |
|---|--------------------|--------------------|
| Charges for Services | \$1,247,400 | \$1,376,300 |
| Connection Fees & Costs | 102,700 | 101,980 |
| Penalties | 25,800 | 26,000 |
| Total: | \$1,375,900 | \$1,504,280 |
| Expenditures | | |
| Water Treatment Plant Operations | | |
| Personal Services | \$351,373 | \$316,900 |
| Fringe Benefits | 104,344 | 103,400 |
| Engineering | - | 14,000 |
| Contractual Charges | 275,000 | 214,000 |
| Other Charges | 24,000 | 33,000 |
| Capital Outlay | 0 | 10,000 |
| Subtotal: | \$754,717 | \$691,300 |
| Water Distribution System | | |
| Personal Services | \$162,046 | \$154,200 |
| Fringe Benefits | 61,550 | 57,600 |
| Lead & Copper Consulting | - | 150,000 |
| Breezewood Vault | - | 50,000 |
| Engineering | - | 30,000 |
| Contractual Services | 150,000 | 128,000 |
| Other Charges | 90,000 | 90,000 |
| Capital Outlay | 302,000 | 93,333 |
| Debt Service/Interest | 56,090 | 0 |
| Subtotal: | \$821,686 | \$753,133 |
| Total Treatment and Distribution Expenses: | \$1,576,403 | \$1,444,433 |

F! **Debt Service**
Yay us. Again! No more debt in the Water Department!

B! **Other Capital Outlay-Sewer**
This line reflects a backup pump for our Mt. Crawford Avenue pump station and one-third of some necessary repairs in the Fountainhead Subdivision. (The other two-thirds will be charged to the Water and Stormwater Departments.)

Year 2025 Budget Enterprise Fund Revenues and Expenditures

Sewer Department

| Revenues | FY 2024 | FY 2025 |
|----------------------------|--------------------|--------------------|
| Charges for Services | \$2,008,200 | \$2,231,000 |
| Connection Fees & Costs | 266,200 | 144,013 |
| Penalties | 22,900 | 22,900 |
| HRRSA Board Contribution | 600 | 600 |
| Total: | \$2,297,900 | \$2,398,513 |
| Expenditures | | |
| Personal Services | \$87,795 | \$98,200 |
| Fringe Benefits | 30,690 | 34,700 |
| Contractual Charges | 30,000 | 39,000 |
| Contractual Services-HRRSA | 948,174 | 1,040,906 |
| Other | 21,000 | 21,000 |
| Equipment Lease/Purchase | 56,000 | 43,500 |
| Other Capital Outlay | 15,000 | 103,333 |
| Debt Service | 140,119 | 120,415 |
| Interest | 24,534 | 21,221 |
| Total: | \$1,353,312 | \$1,522,275 |

Sanitation Department

| Revenues | FY 2024 | FY 2025 |
|----------------------|------------------|------------------|
| Sanitation Fee | \$601,000 | \$642,500 |
| Recycling Fees | 36,700 | 39,500 |
| Sale of Recyclables | 12,500 | 5,100 |
| Total: | \$650,200 | \$687,100 |
| Expenditures | | |
| Personal Services | \$133,666 | \$140,100 |
| Fringe Benefits | 56,916 | 55,700 |
| Waste Management | 280,129 | 296,400 |
| Contractual Services | 28,128 | 21,800 |
| Other Charges | 10,000 | 21,100 |
| Landfill Fees | 132,455 | 133,400 |
| Capital Outlay | 150,000 | 170,000 |
| Total: | \$791,294 | \$838,500 |

F! **Grove-College Parking Lot**
The new parking lot at Grove & College is actually a stormwater project, one fuelled in part by the Chesapeake Bay Trust. Water drains through the pavers, rests in the reservoir underneath, and seeps into the ground.

Stormwater Management

| Revenues | FY 2024 | FY 2025 |
|-----------------------|------------------|------------------|
| Utility Fee | \$181,301 | \$191,100 |
| Total: | \$181,301 | \$191,100 |
| Expenditures | | |
| Personal Services | \$84,758 | \$28,500 |
| Fringe Benefits | 26,292 | 11,500 |
| Contractual Services | 25,000 | 13,000 |
| Drainage Remediation | 30,000 | 25,000 |
| Engineering | - | 20,000 |
| College-Grove Project | 216,500 | 0 |
| Other Charges | 10,000 | 6,500 |
| Capital Outlay | 197,500 | 93,333 |
| Total: | \$590,050 | \$197,833 |

F! **Sanitation Fee**
Our sanitation budget provides a good example of why we increase utility fees according to the Labor Department's measure of inflation in the utility industry. Our two largest operating expenses in sanitation are the Waste Management contract and the fees charged by the County landfill. Our proposed fee increase is 5.19%. Waste Management's increase is based on that same Labor Department figure, so we are assuming a 5.19% increase. After the budget numbers were fixed, we learned that the landfill fees will increase by 7.4%, so this budget will be tight!

Our goal in proposing the inflationary increases is just to make sure that we can continue to cover the costs of providing quality services.



Year 2025 Budget Industrial Development Authority



What does the IDA do?

The Industrial Development Authority has played an important role in Bridgewater's well-being. In the past, for example, the IDA facilitated a \$60 million bond for the Bridgewater Retirement Community to fund various capital improvements. There is no risk to the IDA in this type of issuance, and BRC was able to get a favorable interest rate.

The IDA played a critical role in the award-winning financial plan for Generations Park. Using its design-build framework, the IDA also built Sipe Center. Over time, the IDA has used its revenues to fund projects like the LED marquee and neighborhood sign at Sipe Center.

What's the IDA working on now?

The IDA acquired several properties from the Town along Main Street near its intersection with Mt. Crawford Avenue, as IDAs are better equipped under Virginia law to handle the sale and lease of such properties. So far, the IDA has leased 423 North Main to a tenant who intends to use the space for hosting art classes and related events. The Town and IDA continue to market 427 North Main, and the Town recently conveyed 429 North Main to a company which plans an office and coffee shop. As noted on page 7, all of this is part of the Town's efforts to revitalize Midtown.

IDA FY 2025 Budget

| Revenues | FY 2024 | FY 2025 |
|-------------------------------|-----------------|-----------------|
| Fees from 501(c)(3) borrowers | \$6,000 | \$6,000 |
| Lease Proceeds | 36,000 | 65,880 |
| Note Payments | 0 | 0 |
| Capital Financing | 0 | 0 |
| Transfer from Reserves | 0 | 0 |
| Total: | \$42,000 | \$71,880 |
| Expenditures | | |
| Personal Services | \$1,000 | \$1,500 |
| Contractual Services | 2,000 | 2,000 |
| Legal Services | 1,000 | 2,000 |
| Debt Retirement | 19,100 | 19,700 |
| Interest | 15,100 | 14,500 |
| Capital Expenses | 0 | 0 |
| Add to IDA Reserve | 3,800 | 32,180 |
| Total: | \$42,000 | \$71,880 |



Lease Proceeds

The IDA receives proceeds from leasing property owned by them at 104 North River Road, 423 North Main Street, and the restaurant space at Generations Park. As we go to press, we are still working on securing a tenant at Generations Park, so this budget anticipates revenues of \$3,000 per month from leasing this space.



The IDA has played an important role in the development of projects like Generations Park and Sipe Center.

To the Citizens of Bridgewater,

As winter turns to spring, we turn our eyes to the next budget cycle. It is a good opportunity to take stock of what we've done over the past year, and where we hope to be in 2025 and beyond. We want this budget guide to provide a snapshot of this, so you understand the challenges and responsibilities we take on every day.

It has been another productive year completing projects. As I write this, we are close to finishing the second phase of Riverwalk. We also have a new parking lot on the corner of Grove and College Street that will open later this spring. Not only will the permeable pavers help with drainage, but the pavers make for a very attractive parking lot.

We are fortunate to have a terrific Parks & Recreation department that schedules wonderful activities throughout the year. After another successful ice skating season, we look forward to pickleball at Generations Park and our annual Summer's End Celebration at Oakdale Park. There will be plenty of live entertainment with music at After Dark at Gen Park and the Harris Concert Series. Our 2024 Sipe Center season of concerts and shows is well under way, and I look forward to seeing who will be visiting Bridgewater in 2025.

Our staff always looks ahead to the future, and this is certainly the case with some of the projects highlighted in this publication. The design and engineering of Riverwalk, Phase III is underway. We continue to work on upgrading our traffic light infrastructure, as we look to synchronize all of our six signalized intersections. The proposed Midtown Connector will help improve and make travel safer across Town, while also revitalizing Midtown.

We are still in the early stages of developing a project we are calling Convocation Hall. The indoor facility would adjoin the Doug Will Tennis Center and could be the home to things like basketball, an indoor walking trail, and public meeting spaces. There is a lot involved in designing a project like this, so we are spending the next year figuring out the best possible uses for this property and determining a fiscally responsible way of paying for it. All of these projects take time to develop, but our staff is always working hard to bring these ideas to fruition.

Our budget again represents no increases in taxes. We do increase utility fees based on the Department of Labor's index for inflation, which allows us to keep up with important infrastructure improvements. We now have \$1 million in our "rainy day" fund. This is a credit to our Town staff that works very hard to balance all of our budgetary needs while providing the high-quality services you expect from us.

It takes a good bit of time to put together the budget, so I appreciate all the efforts of our Town Manager and staff putting it together and sharing it in this publication. I encourage everyone to look through this budget guide and come to Sipe Center on Tuesday, April 23 at 7:00 pm to hear more about the proposed 2025 budget.

Cordially,

William D. Miracle
Finance Committee Chairman



Construction of the Gen Oak Connector was completed last summer.

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**Public Hearing for Comments on the FY25 Budget
Tuesday, April 23, 7:00 pm at Sipe Center**

But Wait, There's More...

Convocation Hall

We've been working hard on the Convocation Hall project, but we're not quite ready to seek funding. We're going to spend the next year refining the design and figuring out how to reduce costs. The potential is exciting, and if you want to know more, use the QR code in the picture or go online to bridgewater.town/convohall.

The B-Conomist

We publish the B-Conomist several times a year to stay connected to our local businesses. Use this QR code or visit bridgewater.town/bconomist to read the latest Bridgewater business news.



A rendering of the proposed Convocation Hall.

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