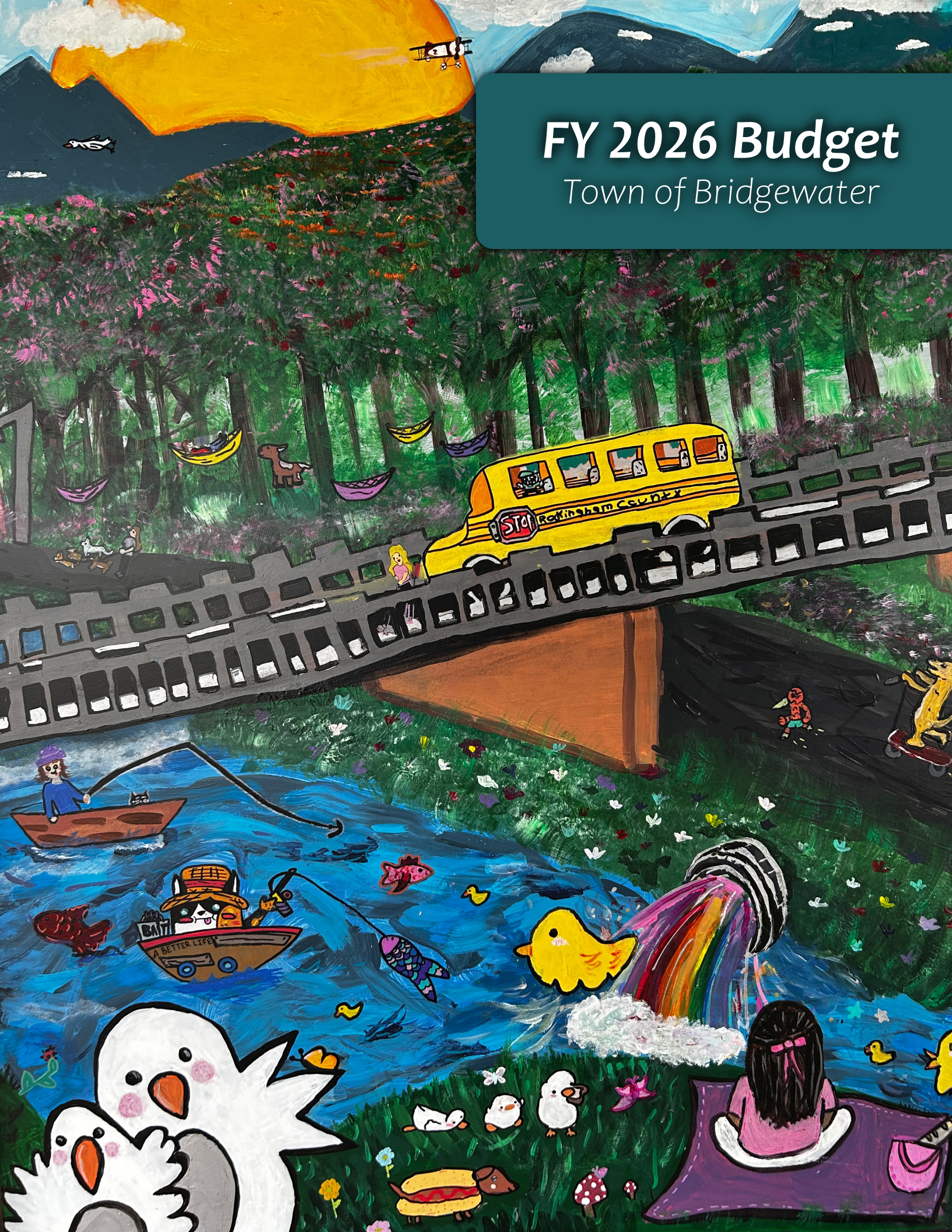


FY 2026 Budget

Town of Bridgewater



Bridgewater Citizens,

Welcome to our proposed budget for Fiscal Year 2026, which runs from July 1, 2025 until June 30, 2026. Our budget process informally begins on January 1. (In the past, I ceremonially created a new spreadsheet just after midnight, but I don't even try to stay up late anymore.)

Our first step in budgeting is projecting revenue. As a staff, we can make early projections of tax revenues because we know the Council is well satisfied with our tax system. The system is designed to spread the tax burden equitably among all who partake of Town services. We have no real estate tax; our two biggest taxes are the consumer utility tax and the meals tax. The CUT reaches institutions which would be exempt from real estate taxation, and the meals tax mostly hits people who don't live in Town.

Revenue projection can be tricky because I know very little about the people who remit or pay the tax. The utility companies don't reveal taxpayers' identities, so even if I knew that Marty's Mudflaps closed last month, I wouldn't know that they were our biggest payer of utility taxes. I don't see restaurant receipts either—they stay in the Treasurer's office—so I have to use the eyeball test (or taste-bud test, as it were) to project how well the meals tax will perform. I've gotten the hang of it. So far this year, my projection for these two taxes is at 94.8%, and we're closing in on 100%!

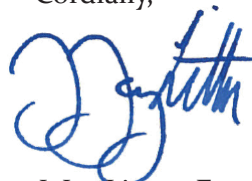
After making these projections, we look at some national economic indicators. For example, when the budget was being put together, the Labor Department's general inflation rate ("CPI_U") was 2.9%. For the most part, we use CPI_U for setting the average wage increase for our staff. We want employees to gain a little ground in life, so this year's base wage increase is 4.5%.

We also use the Labor Department's inflation figure for utilities ("CPI_W&S") to establish our fee increases for our utility system (Waste Management uses the same metric to increase its bill to us, which is passed through to residents).

So with all that information in place, we begin the part of the process which is the most fun but also the most frustrating: deciding what we can afford to do. We assess all the suggestions made by citizens on Big Block of Cheese Day, at Council meetings, or in casual encounters. We look at the tools our employees need to perform their jobs. And we apply all of the Council's priorities. The end result of all this work is three lists: good things we can afford (such as a forklift at the Recycle Center), good things we cannot afford (such as an aquatic center), and silly things not worthy of a second thought (which I won't identify, but let your imagination run a bit).

We have put a lot of work into this proposed budget, but it is not a "done deal." The Finance Committee has approved the proposal, but the full Council must still vote on it. And there can be no such vote until the public is given a chance to speak on April 22!

Cordially,



J. Jay Litten, Esq.
Town Manager

By the numbers...

- Current CPI-U: 2.90%
(at the time of budget formulation)
- Current CPI-W&S: 5.22%
- HRRSA Sewer Increase: 3.55%
(effective increase to Bridgewater)
- Waste Management Increase: 5.22%
- 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: 5.22%
- Sewer Service Rate Change: 5.22%
- Stormwater Rate Change: 5.22%
- Sanitation Rate Change: 5.22%
- Water & Sewer Connection Fee: 7.00%
- Standard Raise for Those Who Qualify: 4.5%

Average Family Cost Index

We continue to compile our "Average Family Cost Index" (AFCI), better known these days as the "Big Mac Index." It simply converts the all-in cost-of-living in Bridgewater into two all-beef patties, special sauce, lettuce, cheese, etc., etc. We add up the residential averages for taxes, utilities, refuse service, recycling, and stormwater and then we divide the total by the cost of a Big Mac.

	FY22 ending 6/30/2022	FY23 ending 6/30/2023	FY24 ending 6/30/2024	FY25 ending 6/30/2025	FY26 ending 6/30/2026
AFCI	\$118.04	\$123.57	\$129.98	\$136.19	\$140.13
Big Macs	20.85	21.27	21.85	22.89	23.79

Big Mac Statistics: Beginning FY24, prices reflect our local McDonald's.

In part, the Big Mac Index is just fun, but it also shows that we don't just measure ourselves against other governments. We want to deliver just as much value as private businesses, even cost-conscious, uber-efficient fast-food businesses. Last year, we lost a little ground. Our updated numbers show that it costs about \$140 per month to live in Bridgewater, up about 2.9% from last year. In a still inflationary climate, we felt pretty good about the 2.9% increase until we saw the latest Big Mac price. To their great credit, our local McDonald's actually **lowered** last year's price of a Big Mac by four cents.

We don't like losing, but we must congratulate McDonald's. And, as we did last year, we will celebrate their good work by offering a Big Mac to all those in attendance at the budget public hearing.* Anyway, we feel pretty good about the value we provide, but we also recognize that Town services represent a significant investment on your part. We very much want you to feel that your money is being well spent.

For FY26, there are no planned tax increases. Most utility fees, however, are budgeted to increase by 5.22%. As in previous years, we have proposed increasing utility fees by the Labor Department's CPI for Water, Sewer, and Trash. Experience has taught us that not keeping our infrastructure up-to-date is a false economy.

*We thank an anonymous donor for underwriting the cost of the Big Macs.

The all-in cost for water, sewer, drainage, street maintenance, snow-plowing, police coverage, parks, ice skating, B-Free movies, and everything else is **0.78 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 FY26 Budget
Tuesday, April 22, 7:00 pm at Sipe Center

Year 2026 Budget Summary

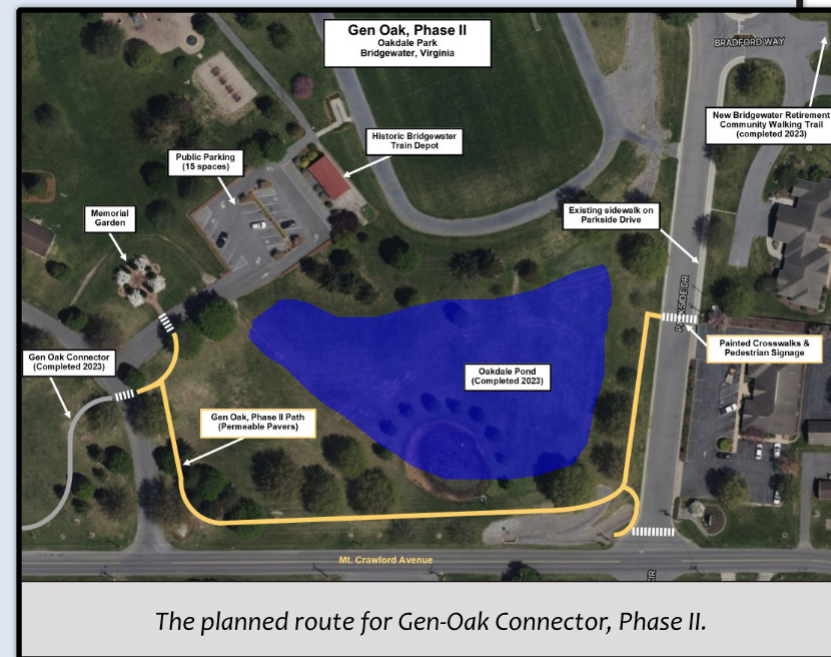
Budget Category	Revenues	Expenditures	Surplus (deficit)
General Fund	\$6,391,370	\$7,896,513	(1,505,143)
Sanitation Department	725,200	773,300	(48,100)
Sewer Department	2,766,519	1,449,427	1,317,092
Water Department	1,549,884	1,322,667	227,217
Stormwater Management	202,900	193,966	8,934
Total:	\$11,635,873	\$11,635,873	\$0



Gen-Oak Connector II

While we were wrapping up Phase I of the Gen-Oak Connector in 2023, we began to develop a concept for a Phase II. This next phase would continue to head east towards—and around—the Oakdale Pond and then turn north parallel to Parkside Drive. The new path is the last "missing link" we need to complete a safer pedestrian network from Main Street to Parkside Drive. It will also create a safe, direct connection from Bridgewater Retirement Community to the new BRC trail, which is also located off Parkside.

We applied for a VDOT Transportation Alternatives grant in the Fall 2023 and were awarded the 80/20 grant last summer. Since then, our engineer has begun designing the project. Our plan is to complete the engineering and design work in FY26 and bid the project for construction in FY27.



The planned route for Gen-Oak Connector, Phase II.



CDBG-CBS Design

That is a lot of letters to say that we will be getting a little help with a very expensive series of projects. "CBS" stands for Cindie Lane, Brian Avenue, and Stephen Circle. These streets comprise the "Fountainhead" subdivision, which was installed in the 1970s, when our standards and practices were much looser. The infrastructure has never been quite right, and it is worsening as it ages. Our plan is to go in and address the water, sewer, and stormwater issues for the benefit of the residents (and their children and grandchildren). We don't yet have hard cost estimates, but we expect the total to be over a million dollars.

The good news is that there are some state and federal programs which can help pay for it, and that is where the "CDBG" program comes into play. You may have heard of "Community Development Block Grants," but this is our first foray into the program. The rules for this program are extremely technical, and most of the Town doesn't qualify, but Fountainhead may. We asked for \$100,000 to help pay for the CBS infrastructure design, and we were approved for \$60,000. We can definitely make good use of the \$60,000, but we're hoping the grant also suggests that CDBG might pay for some of the actual construction too. We will see. At this point, we're holding to the position that the glass is 3/5 full!

Year 2026 Budget General Fund Revenues

General Fund Revenue	FY 2025	FY 2026
General Property Taxes		
Real Property Tax	\$0	\$0
Public Service Corporations	0	0
Personal Property Tax	367,200	383,000
Personal Property Tax (PPTRA)	102,000	102,000
Penalties and Interest	3,000	3,000
Total:	\$472,200	\$488,000
Other Local Taxes		
Local Sales and Use Tax	\$371,500	\$411,100
Communications Tax	60,000	58,800
Consumption Tax	22,800	22,100
Vehicle Rental Tax	1,100	1,000
Consumer Utility Tax	758,800	784,000
Cigarette Tax	13,500	16,200
Business License Tax	251,300	267,300
Bank Stock Tax	211,100	202,400
Meals Tax	1,167,800	1,145,700
Occupancy Tax	11,800	11,800
Total:	\$2,869,700	\$2,920,400
Local Fees		
Motor Vehicle Licenses	\$94,500	\$100,000
Right-of-Way	15,800	15,800
Local Passport Fees	8,000	16,000
STR Registration Fee	275	250
Total:	\$118,575	\$132,050
Zoning and E&S Permits	\$4,700	\$5,600
Fines and Forfeitures	\$19,400	\$14,000
Revenue from the Use of Money and Property		
Interest on Bank Deposits	\$80,000	\$100,000
Rental of General Property	15,000	8,000
Rental Fees-Doug Will Tennis	25,100	25,600
Rental Fees-Generations Park	122,800	119,100
Golf and Mini-Golf Fees	48,100	48,100
Sipe Center Revenues	242,700	212,900
Public Communications Rental	98,750	114,200
Sale of Materials	10,000	10,000
Total:	\$642,450	\$637,900



ARPA and FARPA Funds

We have used all of our ARPA (American Rescue Plan Act) money in strict accord with federal regulations. But that doesn't mean that there isn't still some cash left behind. We have labeled that cash, "FARPA," for "Formerly American Rescue Plan Act." No strings apply to FARPA cash, but we still like to keep an eye on it.

Imagine that we had budgeted \$100,000 of local funds for a megawidget. If the ARPA regulations allowed the purchase of megawidgets, we might have used them for the purchase. Then we could have put our original \$100,000 in the "FARPA" category. That is a gross simplification, but FARPA money is essentially local money that was freed up because of ARPA.

General Fund Revenue	FY 2025	FY 2026
Miscellaneous and Donations		
Miscellaneous Income	\$13,000	\$13,000
Gifts and Donations	1,000	1,000
Town of Mt Crawford	72,300	76,900
Programming Revenue	9,400	10,000
Total:	\$95,700	\$100,900
Categorical Aid		
VDOT Secondary Maintenance	\$762,100	\$798,700
VDOT Primary Maintenance	260,000	272,400
Overweight Permit Fees	600	0
Litter Control Grant	6,200	5,500
Law Enforcement Funds	162,300	168,100
Opticon Grant	-	25,000
HEAT Grant-Flock Cameras	12,500	12,500
Riverwalk, Phase III Grant	32,000	330,500
Gen-Oak Connector II Grant	0	34,820
Lamez Crossing Grant	0	104,700
B-Safe Pedestrian Crossings	0	78,300
CDBG-CBS Design	0	60,000
FARPA Carry Forward	562,644	202,000
Total:	\$1,798,344	\$2,092,520
Total General Fund Revenues:	\$6,021,069	\$6,391,370

Year 2026 Budget General Fund Expenditures

General Fund Expenditures	FY 2025	FY 2026
Police and Public Safety		
Personal Services	\$684,400	\$759,300
Fringe Benefits	242,200	294,200
Overtime	33,500	33,500
Contractual Services	45,000	45,000
Axon In-Car Cameras	10,400	10,400
Auto Repair	10,900	5,500
Gas, Oil, Tires	29,500	26,000
Other Charges	43,500	36,100
Capital Outlay	83,000	120,000
Flock Camera Service	12,500	13,000
Total:	\$1,194,900	\$1,343,000
General Properties (incl. Greenwood & Ames)		
Personal Services	\$224,400	\$228,700
Fringe Benefits	86,700	98,700
Contractual Services	120,000	110,000
OTH Repairs and Displays	0	27,000
Other Charges	34,000	33,000
Capital Outlay	150,000	0
Total:	\$615,100	\$497,400



Dinkel Avenue Crossing at Blue Ridge Christian School.



Mt Crawford Avenue Crossing at Naomi Lane.

Year 2026 Budget General Fund Expenditures

General Fund Expenditures	FY 2025	FY 2026
Highways, Streets, & Sidewalks		
Personal Services	\$160,900	\$162,800
Fringe Benefits	64,000	69,200
Contractual Services	83,000	166,284
Stoplight Cabinets	100,000	
Street Paving	275,000	657,302
Street Lights	104,333	98,327
Gen-Oak Connector II	–	43,525
LAMEZ Construction	–	104,665
B-Safe Pedestrian Beacons	–	78,332
Capital Outlay	80,000	59,000
Other Charges	50,000	50,000
Total:	\$917,233	\$1,489,435
Public Works		
Personal Services	\$189,600	\$152,000
Fringe Benefits	55,600	61,700
Consulting – BURM	10,000	0
Contractual Services	30,400	25,000
Other Charges	3,100	1,900
Total:	\$288,700	\$240,600

B-Safe(r)

Recently, VDOT has offered some smaller-scale transportation grants as part of their retooled Highway Safety Improvements Program (“HSIP”). As part of this grant program, HSIP includes funding for “Rectangular Rapid Flashing Beacons” (“RRFB’s”), which are crosswalk signs that (as you can imagine) flash rapidly to alert motorists of pedestrians crossing the road. We have applied for a couple of these grants, the first of which we are in the process of designing and hope to install later this year. The first grant—our HSIP B-Safe Grant—includes installation of two of these RRFB crosswalks: one on Dinkel Avenue at Blue Ridge Christian School; the second on Mt. Crawford Avenue between the Gen-Oak Connector and Naomi Lane.

Will Street Paving Nearly Double?

No, don't read too much into the budget figures here. The paving figure is a holding place for whatever is left after we do everything else. Snow removal is the big wildcard, and a harsh winter could take up much of our paving budget. These days, we also broaden the term “paving” to include sidewalk repair. Because our asphalt is in such good shape, we are looking for opportunities to improve bad sidewalks.

Some of you have requested sidewalks on your streets. Alas, these funds cannot be used to build additional sidewalks. This bucket of money comes from VDOT, and it only allows the upkeep of existing facilities, not the installation of new stuff.

So What Is LAMEZ?

Similar to our B-Safe Pedestrian Beacons, we also have a crosswalk improvement planned on Main Street at Generations Park. This will also include a set of the RRFB's we mentioned to the left.

Unlike those crosswalks, however, we are pushing for the installation of a small, “Z”-shaped pedestrian refuge area. We are not sure what VDOT will think of our “Z” design, but we think it will create a safe area for pedestrians. We hope to begin construction on this by fall.

(“Why LAMEZ?” you ask. Because it will just be lame if we don't get our “Z.”)

LAMEZ will provide a safe crossing of Main Street at Gen Park.

Capital Goods

Just a quick note which is applicable to all capital goods, not just police cars. When we replace them on a schedule, we find that downtime and repair costs are greatly reduced. We budget the purchase of one police car per year, and our fleet is now in pretty good shape. And as an added bonus, all the cars will have the same livery soon! (“What's livery?” you ask. It's a fun word for the paint scheme on our cars.)

One police vehicle's livery is not like the others!

Old Town Hall

You may have noticed some activity at the Old Town Hall this spring. It needed some TLC, so we repaired the cupola and repainted the front of the building. Next year, we'll do some more repair work, and over time we'll work on the interior, too. When the Old Town Hall reopens this month, you'll also notice a new exhibit—the first of many, we hope—featured on something we're calling “Story Realms.” These Story Realms will feature videos, photographs, and historical artifacts that tell the story about our beloved Town. (We would tell you more about the Story Realm, but we hope you'll stop by to see for yourself when the Old Town Hall reopens on April 18.)

So, why are we doing all of this? Our Old Town Hall was built in 1838 and is one of our oldest buildings. It's hard to tell the story of Bridgewater without including the Old Town Hall. We want visitors to stop by and learn a little something about our community. And we want residents who visit to better understand their place in the long, vibrant history of our Town.

River Roos...

Bridgewater's Hyperlocal Currency

So what's a River Roo?

On November 1, 2024, the Town of Bridgewater introduced River Roos, a hyperlocal currency program designed to bring additional customers and business to our local merchants. River Roos work just like an eGift card and are hosted on a digital platform called Yiftee, which has seen huge success nationwide with their Community Card program. According to Yiftee, "an incredible 92% of card buyers surveyed said they prefer to support their local business with a Community Card versus buying a national brand gift card. ... 51% of Community Card holders try new places, sharing this new revenue with the businesses who need it most."

Hyperlocal what?

River Roos are like a local currency: they are purchased in Bridgewater (or online at riverroos.com) and are only valid at businesses located in the Town of Bridgewater. Unlike tedious coupons or corny wooden nickels or a gift card only valid at one business, River Roos are valid at 19 different Bridgewater businesses. River Roos are also secure, as they are backed by MasterCard. Just present your card, and the business will run it like a credit card.

But how do River Roos help Bridgewater businesses?

Most gift cards are only valid at one retailer. Or if you buy a prepaid debit card, they are valid at virtually every retailer you can imagine. River Roos are different—they are purchased solely to benefit participating Bridgewater restaurants and merchants, boosting sales of our local businesses and encouraging future return visits (see diagram on the right). Bridgewater businesses see stronger sales, growing our business community, while the Town nets additional tax revenue to support Town services.

Who should buy River Roos?

The better question might be: "Who shouldn't buy River Roos?" This past Christmas, several local businesses surprised their employees with River Roos as a part of their bonus. River Roos also make a great real estate closing gift! The possibilities are endless. River Roos make the perfect gift for anyone who enjoys spending time in Bridgewater, and, frankly, who doesn't? Our new hyperlocal currency is loved by residents, students, movie-goers, concert enthusiasts, golfers, ice skaters, park visitors, Little League participants, and the list goes on...

Are people actually using these things?

Yes, they are! Bridgewater residents and guests have shown their overwhelming support for the new currency by purchasing nearly \$20,000 in River Roos within the first four months—100% of which goes directly to 19 participating merchants. River Roos have been so successful that the program has caught the attention of the *Daily News-Record*, WHSV TV-3, and even the PBS docuseries *Life in the Heart Land* which will feature River Roos in an episode this fall.



Look for the River Roos logo around Town.

The Life Cycle of a River Roo



Funds used to purchase River Roos stay in Bridgewater, supporting stronger businesses while helping to build the local tax base.

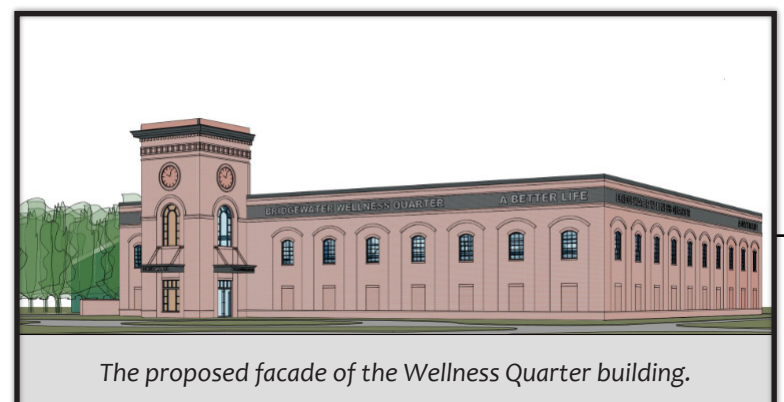
Visit riverroos.com to support local businesses and learn about participating businesses!

Year 2026 Budget General Fund Expenditures

General Fund Expenditures	FY 2025	FY 2026	General Fund Expenditures	FY 2025	FY 2026
Parks					
Personal Services	\$233,100	\$298,400	Personal Services	\$212,700	\$221,800
Fringe Benefits	89,600	110,100	Fringe Benefits	66,100	78,000
Private Mowing Contractors	67,500	0	Contractual Services	60,000	93,000
Contractual Services	90,000	70,000	Other Charges	32,000	57,000
Other Charges	51,000	70,000	Total:	\$370,800	\$449,800
Riverwalk, Phase III	40,000	413,103	Community Development		
Capital Outlay	108,250	49,000	Personal Services	\$29,400	\$31,000
Total:	\$679,450	\$1,010,603	Fringe Benefits	12,000	13,700
Sipe Center					
Personal Services	\$92,800	\$117,200	Festivals & Entertainment	72,950	74,350
Fringe Benefits	30,500	47,400	Employee Relations	0	22,000
Live Performances	144,900	156,000	Contractual Services	23,000	23,000
Movies	37,000	38,300	Passport Processing	800	1,750
Contractual Services	47,800	47,800	Current Printing & Mailing	10,000	20,000
Capital Outlay	37,000	0	Convocation Hall Fund	50,000	0
Other	40,000	43,512	Other Expenses	31,000	22,000
Total:	\$430,000	\$450,212	Community Donations	65,000	65,000
			Total:	\$294,150	\$272,800

How's Riverwalk Going?
As we go to press, we have a 60% design for Riverwalk, Phase III. We are a bit behind schedule, as VDOT required an archaeological survey be completed last fall. The remains of an old mill foundation are located along the Riverwalk, Phase III path, so this required the additional review. The archaeologists from the College of William & Mary found that the remains of the old mill are consistent with... an old mill.

We remain positive that we'll bid and construct Phase III in FY26. Riverwalk III will not only connect Edgebriar Park to the Bridgewater College softball field, it will also lay the foundation for a possible Riverwalk IV. We recently received a preliminary engineering report for Riverwalk IV. If we can find funding, it will connect to a small island we acquired in 2023. This proposed phase, as sketched at right, would install a bridge and include a path that goes around the island. Having visited the island last summer, the views of the North River are amazing, and we really can't wait to get started on this project. The current plan is to apply for a VDOT Transportation Alternatives grant this fall.



Year 2026 Budget General Fund Expenditures

General Fund Expenditures	FY 2025	FY 2026
Town Council		
Personal Services	\$41,700	\$43,500
Fringe Benefits	3,300	3,400
Other Charges	2,000	1,900
Total:	\$47,000	\$48,800
Town Manager's Office		
Personal Services	\$489,700	\$503,123
Fringe Benefits	157,900	196,125
Contractual Services	20,000	15,000
Other Charges	15,000	20,000
Enforcement Software	0	8,000
Total:	\$682,600	\$742,248
Treasurer		
Personal Services	\$203,300	\$216,000
Fringe Benefits	72,500	84,600
Contractual Services	27,000	28,000
Other Charges	5,000	5,000
Total:	\$307,800	\$333,600
Economic Development		
Personal Services	\$34,100	\$36,100
Fringe Benefits	13,300	16,300
Contractual Services	12,000	12,000
River Roo Promotion	0	5,000
Other Charges	1,000	5,600
Total:	\$60,400	\$75,000
Insurance and Consultants		
Town Attorney	\$35,000	\$35,000
Independent Auditor	55,700	55,700
Insurance & Bonding	160,000	140,000
Total:	\$250,700	\$230,700
Debt Service		
Principal Reduction	\$190,579	\$185,657
Interest	77,925	88,578
Total:	\$268,504	\$274,235
Addition to Reserves	\$371,500	\$411,100
Additional Reserve (Utilities)	0	0
Contingency	\$20,184	\$26,980
Total General Fund Expenditures:	\$6,799,021	\$7,896,513

Wellness Quarter
Over the last few years, we have used a lot of ink—or electrons, depending on your preference—describing our proposed “Wellness Quarter” project. Note that we called it “Convocation Hall” for a while, as we unsuccessfully tried to shoehorn it into federal-funding eligibility.

To recap, the project would address two of the needs most expressed by our citizens: an indoor place to walk and an indoor place to play. Bridgewater is a wonderful community for walkers, but in the winter months, many of our elder citizens have had to stay home. Likewise, with 14 parks, we have great places to play outside, but the weather or circumstances sometimes require indoor space. The Wellness Quarter would provide an indoor walking track, along with a space for basketball (or volleyball or pickleball or just family play time). The space could also be used for meetings, receptions, trade shows, and the like. The project also includes much-needed improvements to the tennis center.

The Council has not yet decided to build the structure, but a committee has been working with various contractors for months. The committee has paid special attention to value. Everything costs a lot these days, but the current price of \$6.7 million is way below our original estimate of \$13.5 million.

The cost might be seen as a bargain to future generations. In 1938, the Council voted to build a facility like this (except it contained a swimming pool). We believe they abandoned the project after a 45% federal grant was disapproved. The estimated cost? \$180,000. (Visit bridgewater.town/1938 to see Council's 1938 resolution.)

We're not saying that \$6.7 million would be easily affordable for us. But by saving our pennies, we have made the project achievable. In 2019, we began building a two-million-dollar reserve fund, by saving an increasing amount each year. As you can see at right, in FY26, we will contribute \$411,100 to the reserve fund, which will fulfill our \$2 million goal. So with the reserve fund in place, we can repurpose that income stream (which derives from sales tax) to other projects, such as the Wellness Quarter.

Again, none of this is a done deal, but we've been working hard on the Wellness Quarter, and the Council will probably vote on it this spring.

Year 2026 Budget Enterprise Fund Revenues and Expenditures



The Cost of Clean Water

Just a bit over 10% of our yearly budget goes to ensuring that clean drinking water flows freely from your tap each and every time you turn your faucet on. While it is easy to take this for granted, a lot has to happen to bring you the best water around.

We first draw water from two sources: the North River and a deep well. This redundancy not only makes our system more resilient in times of crisis but also allows us to better balance the hardness and pH we provide to you. After we combine the raw water from the river and the well, we begin the treatment process by adding chlorine and coagulants that bind to particles we want to remove.

The water then passes through a series of tanks in which the particles weighed down by coagulants settle to the bottom, resulting in a progressively cleaner product. We then filter the water through sand and add another dose of chlorine to ensure it is safe to drink. The water is then pumped to our holding tanks, from where it flows through our distribution system to your home.

Our Water Treatment Plant operators monitor the whole process from start to finish. They test the water at each stage for key metrics every two to four hours in accordance with Virginia Department of Health (VDH) guidelines. They also regularly clean the tanks and the filters to eliminate the particles that have settled out. This year, our operators earned their 13th Gold Award—the highest level of recognition by VDH—since 2011. This reflects their dedication to providing you with the best water they can.

Our Maintenance workers keep our distribution system flowing smoothly and, when a break in a line occurs, work quickly to restore service to the affected area.

All of this—from chemicals and monitoring equipment to infrastructure repairs and labor—adds up to the budget you see on this page. We believe that this investment is well worth the cost, and we are proud of the service our crews provide.

If you are interested in learning more, the Water Treatment Plant will be offering a tour later this summer. More details to come in the *Current!*

Water Department

Revenues	FY 2025	FY 2026
Charges for Services	\$1,376,300	\$1,416,000
Connection Fees & Costs	101,980	107,784
Penalties	26,000	26,100
Total:	\$1,504,280	\$1,549,884

Expenditures

Water Treatment Plant Operations

Personal Services	\$316,900	\$354,000
Fringe Benefits	103,400	147,300
Engineering	14,000	150,000
Contractual Charges	214,000	
Other Charges	33,000	30,000
Capital Outlay	10,000	37,000
Subtotal:	\$691,300	\$718,300

Water Distribution System

Personal Services	\$154,200	\$155,400
Fringe Benefits	57,600	61,800
Lead & Copper Consulting	150,000	0
Breezewood Vault	50,000	0
Engineering	30,000	210,000
Contractual Services	128,000	
Other Charges	90,000	85,000
Capital Outlay	93,333	92,167
Subtotal:	\$753,133	\$604,367

Total Treatment and Distribution Expenses:	\$1,444,433	\$1,322,667
---	--------------------	--------------------



Sanitation Expense

It might seem odd that we continue to have significant labor expenses in Sanitation, even after retaining Waste Management to pick up the trash. Some of the expense is for the Sandy Bottom Recycle Center, but the bulk of it is for our large-item pickup program. This monthly service is perhaps the most popular thing we do. (We base this assessment on the number of calls we receive when something *isn't* picked up as expected.) The program rules are online, but basically, we'll pick up almost anything once a month. We absolutely don't judge you by your refuse, but we have to ask: What is up with the mattresses, people? How can a small town possibly go through so many?

Year 2026 Budget Enterprise Fund Revenues and Expenditures

Sewer Department

Revenues	FY 2025	FY 2026
Charges for Services	\$2,231,000	\$2,462,500
Connection Fees & Costs	144,013	279,419
Penalties	22,900	24,000
HRRSA Board Contribution	600	600
Total:	\$2,398,513	\$2,766,519

Expenditures

Personal Services	\$98,200	\$96,600
Fringe Benefits	34,700	35,700
Contractual Charges	39,000	35,000
Contractual Services-HRRSA	1,040,906	1,037,571
Other	21,000	21,000
Equipment Lease/Purchase	43,500	83,167
Other Capital Outlay	103,333	
Debt Service	120,415	121,235
Interest	21,221	19,154
Total:	\$1,522,275	\$1,449,427

Sanitation Department

Revenues	FY 2025	FY 2026
Sanitation Fee	\$642,500	\$679,700
Recycling Fees	39,500	42,100
Sale of Recyclables	5,100	3,400
Total:	\$687,100	\$725,200

Expenditures

Personal Services	\$140,100	\$165,800
Fringe Benefits	55,700	73,700
Waste Management	296,400	321,300
Contractual Services	21,800	24,400
Other Charges	21,100	21,000
Landfill Fees	133,400	142,100
Capital Outlay	170,000	25,000
Total:	\$838,500	\$773,300



Fringe Benefits

A consistent theme throughout the FY26 budget is that "Fringe Benefits" increased more than "Personal Services," or wages. There are both a big reason and a small reason for the gap. The big reason is that the Virginia Retirement System changed the formula through which we fund newer employees' retirement. That change amounted to a \$175,000 increase in expense. The lesser reason is that we are slightly increasing the share of family health insurance paid by the Town. We want employees to have long careers here, knowing that they can protect their families.

Stormwater Management

Revenues	FY 2025	FY 2026
Utility Fee	\$191,100	\$202,900
Total:	\$191,100	\$202,900

Expenditures

Personal Services	\$28,500	\$86,200
Fringe Benefits	11,500	34,600
Engineering	20,000	15,000
Contractual Services	13,000	
Drainage Remediation	25,000	25,000
Other Charges	6,500	6,500
Capital Outlay	93,333	26,666
Total:	\$197,833	\$193,966



Stormwater Team

As we have noted many times before, Bridgewater is an MS4 (Municipal Separate Storm Sewer System) community, and it requires us to pay special, close attention to stormwater. Over the past few months, we have been assembling a Stormwater team that can handle the sometimes complicated regulatory issues that we face as a locality. Last fall, we hired Greg Dustin, who is helping us oversee the MS4 and assist with inspections. He brings many years of experience and has been a great help to us already. We've had a bit of a knowledge gap the past couple of years, so several of us are working on being trained in various levels of stormwater and erosion and sediment (E&S) control qualifications. We have also revised our MS4 Program Plan, ultimately to make it a more understandable and usable document for staff.

We know that overlooking stormwater and E&S issues will lead to serious problems down the road. Our knowledge gap is shrinking, and we think this will serve us very well going forward.

Year 2026 Budget Industrial Development Authority



The IDA voted to adopt a lease agreement with Sakura Bridgewater Inc. for the restaurant space at Generations Park.



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 properties does the IDA own?

The IDA owns the restaurant space adjacent to Generations Park. Last summer, the IDA voted to adopt a lease agreement between them and Sakura Bridgewater Inc. for the operation of a restaurant. Sakura opened last September, and we're very glad to have them here in Bridgewater.

The IDA also owns 423 North Main Street, which is located between Flying Pizza and Veterans Park. Last March, the IDA executed a lease with Joyce Smith for the operation of an art studio. The Creative Art Studio opened last May, offering a variety of art classes for kids and adults.

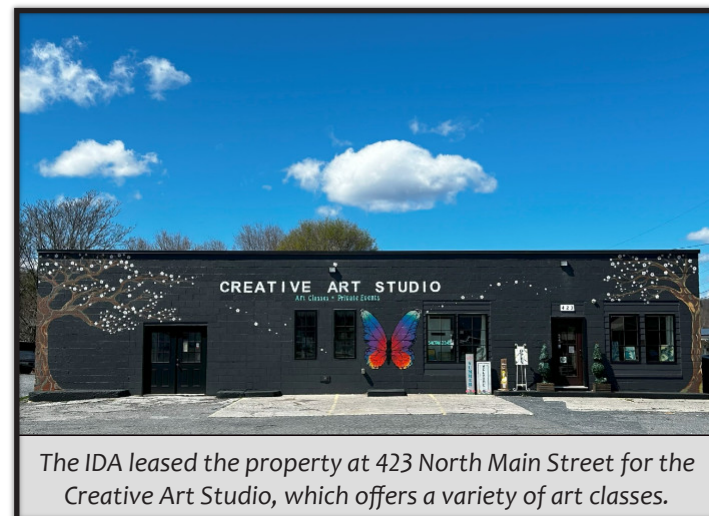
IDA FY 2026 Budget

Revenues	FY 2025	FY 2026
Fees from 501(c)(3) borrowers	\$6,000	\$3,000
Lease Proceeds	65,880	53,000
Note Payments	0	0
Capital Financing	0	0
Transfer from Reserves	0	0
Total:	\$71,880	\$56,000
Expenditures		
Personal Services	\$1,500	\$1,000
Contractual Services	2,000	2,000
Legal Services	2,000	1,000
Debt Retirement	19,700	18,000
Interest	14,500	21,000
Capital Expenses	0	0
Add to IDA Reserve	32,180	13,000
Total:	\$71,880	\$56,000



Lease Proceeds

The IDA receives proceeds from leasing property owned by them at 423 North Main Street and the restaurant space at Generations Park. The IDA no longer leases the property at 104 North River Road, as the tenant elected not to extend the lease. That property was torn down in December 2024. It is currently green space, but this land will be part of the future Midtown Connector.



The IDA leased the property at 423 North Main Street for the Creative Art Studio, which offers a variety of art classes.

To the Citizens of Bridgewater,

While many of us are outside enjoying spring, for Town staff, this time of year is budget season. The process begins in January, with our Town Manager and department heads discussing priorities for the upcoming fiscal year. From a long "wish list" of wants and needs, this collaborative effort involves lots of decisions, culminating in this book: the proposed budget for FY2026.

Before we look ahead to the new year, it is a good moment to look back at what we've accomplished. We completed Phase II of the Roscoe Burgess Riverwalk, and, as we go to press, we are close to finishing the engineering and design work for Phase III. This fall, Town staff plan to work on a grant application for Phase IV, which would connect Riverwalk III to a small island we own in the North River. I hear the views are amazing from the island, and I'm excited about the prospect of another phase of Riverwalk.

Town staff have also made great progress in reshaping the part of Town we're calling Midtown. We opened Veterans Park in 2023, and in the past few months we've cleared a couple of our Midtown properties, allowing us to install sod and trees adjacent to the park. In a sea of concrete and asphalt, this green space is a welcome sight. In the future, we hope to create the Midtown Connector which will make it safer for motorists, pedestrians, and bicyclists to get across town.

Later this spring, the Town will complete our newest park—#14 if you're keeping track—called Shiverwood. Located adjacent to Smiley's on Don Litten Parkway, Shiverwood will provide a climbing structure, swings with a nice view of the Valley, and a couple of small shelters, perfect for a summer picnic. Shiverwood will also provide a public park for our newest residents at Bridgewater Fields.

Our staff always keeps an eye on infrastructure, and we were very pleased to receive a CDBG planning grant to begin engineering and design work on water, sewer, and stormwater improvements at Fountainhead Subdivision. By next year's budget, we hope to be ready to bid and begin to implement these important infrastructure upgrades.

As usual, we have a full year of activities, concerts, and events. Between our Parks & Recreation Department and Sipe Center, there is plenty to keep us entertained. We just completed our 10th season of ice skating at Generations Park, and golf season is now underway. Two of our signature events—Eve of Independence and Summer's End—bookend our very busy summer season of free concerts at After Dark at Gen Park and the Harris Concert Series. I look forward to these community events every year and hope you do, too.

I'm happy to report that our budget once again presents no increases in taxes. And, of course, the Town real estate tax remains at zero! 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 have also built up our reserve fund to over \$1.5 million. This is a credit to our Town staff that have worked hard to balance our budget while continuing to provide high-quality services.

Once again, I really appreciate the time our Town Manager, Treasurer, and staff put in to complete the budget process and produce this wonderful budget guide. I encourage each of you to review this budget guide and come to Sipe Center on Tuesday, April 22 at 7:00 pm to hear more about our proposed 2026 budget.

Cordially,

Steven A. Schofield
Finance Committee Chairman



Riverwalk II was completed last year, and we hope to complete Phase III in FY26.

Town of Bridgewater
Post Office Box 72
Bridgewater, Virginia 22812

PRESORTED
Standard
U.S. Postage PAID
Harrisonburg, VA
Permit No. 65

ECRWSS

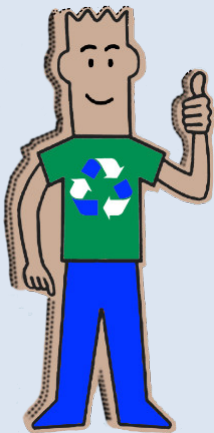
**Local
Postal Customer**



Inter Se Succurrimus

**Public Hearing for Comments on the FY26 Budget
Tuesday, April 22, 7:00 pm at Sipe Center**

But Wait, There's More...



Recycle Services

We accept 14 classes of materials for recycling: paper, plastics, metals, tennis balls, batteries, and much more. We can also provide safe disposal of your prescription drugs (at 201 Green Street) or your hard drive or cell phone (at the Sandy Bottom Recycle Center). Get details with the QR code or at bridgewater.town/recycle.



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.

Subscribe to the Bridgewater Buzz

Subscribe to the Bridgewater Buzz. If you're reading a copy of this guide you received in the mail, *Buzz* subscribers are way ahead of you. They received the guide as it was mailed, plus they get the latest Bridgewater news every day! Visit bridgewater.buzz or use this QR code to sign up today.

