

FY 2027 Budget

Town of Bridgewater



Bridgewater Citizens,

We were just beginning to hit our comfort zone. After years of saving, we reached our goal of building a two-million-dollar reserve fund. Wellness Quarter is on-time and on-budget, and we already have over \$650,000 in the fund to pay it off. We have a tax-and-fee system which has generated adequate revenue without hitting anyone too hard. Indeed, fiscal 2027 was shaping up to be a very comfortable year. But good local government is rarely about comfort—it is about quietly doing the right things, year after year.

There is an aphorism attributed to John Maxwell: “There is no growth in your comfort zone and no comfort in your growth zone.” That sentiment is particularly applicable to government. We should not become too comfortable, and we should always be striving to improve. Accordingly, in this budget proposal, we tried to stretch.

The first thing we did was look at our policy of increasing utility fees with inflation each year. We confirmed that the policy still makes good sense, but in practice, the sewer fund was generating more cash than we were using. (The gap isn’t as big as it appears in the budget. The auditors move some administrative costs to the utility funds at year’s end.) So, for the sewer fund, we cut the increase by half. With some discipline, we can afford to fall behind inflation.

Then we asked ourselves what projects have been sitting on the books for too long. We all agreed that the infrastructure work in the Fountainhead Subdivision is overdue. There is still a good chance of a grant paying for the water and sewer improvements—and we will work hard on the grant—but we found a creative way to pay for the drainage improvements ourselves. In the budget, you’ll see \$250,000 allocated to that project.

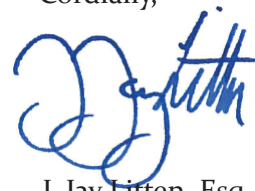
Finally, we decided that we wanted to take better care of our employees in several different ways. We want all of our employees to earn at least what we calculated to be the minimum living wage for the Shenandoah Valley, so a few employees will need a small extra pay bump.

We also proposed that we make our police force the best paid in the area. The value of good policing is so great—and the cost of bad policing is so detrimental—that we want Bridgewater to be that place where the best police officers come to have long, well-paid careers.

And lastly, we wanted to continue increasing the portion of family health premiums that we pay for our employees. (We pay 100% for the employees themselves.) The budget proposes that we pay 50% of those premiums for our lower-paid employees and 40% for those at the higher end of the scale. The idea here is that we want employees to stay with us for a long time, and the best way to encourage that is to take care of their families. (Just to prove that no good deed goes unpunished, after we wrote this into the draft budget, we received notice of a 15.6% premium increase—that’s about \$75,000 we were hoping to have.)

The bottom line is that this budget calls for us to maintain discipline. While asking for less revenue than our policy would normally call for, we intend to take better care of our employees and fix a defective drainage system. None of this is glamorous, but doing the quiet things efficiently is at the core of our mission. The train has now left the comfort zone—woo-woo! Please have a look at the draft budget, and let us know what you think on April 28.

Cordially,



J. Jay Litten, Esq.
Town Manager

By the numbers...

- Current CPI-U: 2.58%
(at the time of budget formulation)
- Current CPI-W&S: 4.49%
- HRRSA Sewer Increase: 3.00%
(Expected increase to Bridgewater)
- Waste Management Increase: 4.49% *(estimated)*
- 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: 4.49%
- Sewer Service Rate Change: 2.245%
- Stormwater Rate Change: 4.49%
- Sanitation Rate Change: 4.49%
- Water & Sewer Connection Fee: 7.00%
- Typical Raise for Most Employees: 3.25%



Average Family Cost Index

Once again, we’ve compiled our “Average Family Cost Index” (AFCI), better known as our “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.

	FY23 ending 6/30/2023	FY24 ending 6/30/2024	FY25 ending 6/30/2025	FY26 ending 6/30/2026	FY27 ending 6/30/2027
AFCI	\$123.57	\$129.98	\$136.19	\$140.13	\$146.27
Big Macs	21.27	21.85	22.89	23.79	24.83

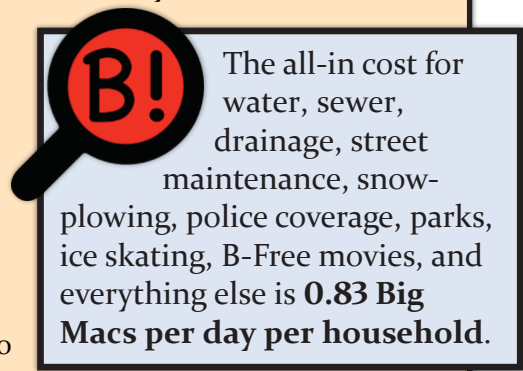
Big Mac Statistics: Beginning FY24, prices reflect our local McDonald’s.

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. We’ve lost a little ground the past two years. Our updated data shows that it costs about \$146 per month to live in Bridgewater, up about 2.6% from last year. Given the inflationary climate we’re in, 2.6% is not bad, but we have to give it to our local McDonald’s. The cost of a Big Mac remained the same after one year. Bravo, golden arches!






Once again, we celebrate their good work by offering Big Macs to all those in attendance at the budget public hearing.* We continue to feel good about the value of the services we provide but know that these services represent a significant investment on your part, too. We very much want you to feel that your money is being well spent.

For FY27, there are no planned tax increases. Most utility fees are budgeted to increase by the Labor Department’s CPI for Water, Sewer, and Trash (4.49%), except for sewer fees, which will increase by half that amount. Experience has taught us that not keeping our infrastructure up-to-date is a false economy.

*And again, 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 **0.83 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 FY27 Budget
Tuesday, April 28, 7:00 pm at Sipe Center**

Year 2027 Budget Summary

Budget Category	Revenues	Expenditures	Surplus (deficit)
General Fund	\$10,233,835	\$11,531,512	(1,297,677)
Sanitation Department	771,814	847,284	(75,470)
Sewer Department	2,709,690	1,675,005	1,034,685
Water Department	1,706,760	1,146,829	559,931
Stormwater Management	220,388	441,857	(221,469)
Total:	\$15,642,487	\$15,642,487	\$0

One Wrong Makes a Right?

This year's budget for Fines & Forfeitures is higher than last year's—but not because we're planning a speed trap or a parking crackdown. Instead, we've changed how we account for these funds. In the past, we did not include fines from the John Wayland speed cameras in the budget. That was intentional: we never wanted to depend on these funds. Our goal was slower driving, not more tickets—and that remains unchanged. What has changed is that we now include all fines collected in the budget—and we use that amount as a guidepost for our donations.

The idea is simple. Fines represent funds we receive because of conduct we want to discourage. Donations represent funds we spend to encourage good conduct. They are the yin and yang of municipal budgeting, so we connect them. Doing so helps answer two questions we hear regularly:

- *Aren't the speed cameras just a way to make money?* No. We don't rely on these funds to support operations.
- *How much of my tax money are you giving to outside organizations?* None. Our donations are generally tied to the amount we receive from fines.

For the record, this is not a strict dollar-for-dollar match. Some fine revenues are legally restricted and must be used for specific purposes. Instead, we just ensure that a roughly equivalent amount is directed to donations as is expected for the fines.

Winter WonderLane


You may have noticed (and hopefully visited!) our Winter WonderLane at Oakdale Park during the holiday season. We were able to purchase these seasonal light displays through a Rockingham County Community & Tourism Enhancement Grant that we received in FY25. Last fall, we applied for another of these County grants, and in February we were awarded another \$24,500. The timing was great, as the best deals for holiday lights and displays are in February. We have used these funds to purchase additional holiday lights which we will install throughout Oakdale in November. We hope to pursue additional grant opportunities to build on this new holiday tradition. We appreciate Rockingham County's support and look forward to expanding Winter WonderLane this winter.



Light displays like this one adorned Oakdale Park during Winter WonderLane thanks to a tourism grant from Rockingham County.

Year 2027 Budget General Fund Revenues

General Fund Revenue	FY 2026	FY 2027
General Property Taxes		
Real Property Tax	\$0	\$0
Public Service Corporations	0	0
Personal Property Tax	383,000	390,000
Personal Property Tax (PPTRA)	102,000	102,000
Penalties and Interest	3,000	4,500
Total:	\$488,000	\$496,500
Other Local Taxes		
Local Sales and Use Tax	\$411,100	\$454,938
Communications Tax	58,800	58,300
Consumption Tax	22,100	20,400
Vehicle Rental Tax	1,000	0
Consumer Utility Tax	784,000	787,000
Cigarette Tax	16,200	15,300
Business License Tax	267,300	300,380
Bank Stock Tax	202,400	250,000
Meals Tax	1,145,700	1,145,600
Occupancy Tax	11,800	11,400
Total:	\$2,920,400	\$3,043,318
Local Fees		
Motor Vehicle Licenses	\$100,000	\$100,000
Right-of-Way	15,800	20,400
Local Passport Fees	16,000	12,000
STR Registration Fee	250	250
Total:	\$132,050	\$132,650
Zoning and E&S Permits	\$5,600	\$6,000
Fines and Forfeitures	\$14,000	\$56,150
Revenue from the Use of Money and Property		
Interest on Bank Deposits	\$100,000	\$147,000
Rental of General Property	8,000	8,000
Rental Fees-Doug Will Tennis	25,600	12,000
Rental Fees-Generations Park	119,100	125,000
Golf and Mini-Golf Fees	48,100	42,220
Wellness Quarter Fees	-	30,000
Sipe Center Revenues	212,900	217,216
Public Communications Rental	114,200	115,550
Sale of Materials	10,000	10,000
Total:	\$637,900	\$706,986



We're Borrowing \$3 Million?

Not really. This is part of the \$6.7M we borrowed last June for the Wellness Quarter construction. We have currently drawn about \$2.2M, and we estimate that we will have drawn around \$3.7M by June 30. That leaves \$3.0M to be drawn in fall, and we account for those funds here.

By the way, we expect Wellness Quarter to be OTOB—on time and on budget. We won't jinx things by making a guarantee, but we will say that the contractor has done a good job navigating storms, freezing cold, tariffs, shortages, and everything other than locusts. We hope the smooth sailing continues.

General Fund Revenue	FY 2026	FY 2027
Miscellaneous and Donations		
Miscellaneous Income	\$13,000	\$9,000
Gifts and Donations	1,000	1,000
Town of Mt Crawford	76,900	78,878
Programming Revenue	10,000	15,000
Total:	\$100,900	\$103,878
Categorical Aid		
VDOT Secondary Maintenance	\$798,700	\$816,100
VDOT Primary Maintenance	272,400	278,400
Litter Control Grant	5,500	4,900
Law Enforcement Funds	168,100	168,100
Opticon Grant	25,000	0
HEAT Grant—Flock Cameras	12,500	10,000
Rockingham Tourism Grant	-	24,500
Riverwalk, Phase III Grant	330,500	330,482
Gen-Oak Connector II Grant	34,820	379,137
Lamez Crossing Grant	104,700	97,165
B-Safe Pedestrian Crossings	78,300	72,269
CDBG-CBS Design	60,000	0
FARPA Carry Forward	202,000	267,300
Total:	\$2,092,520	\$2,448,353
Wellness Quarter Debt Fund	-	\$240,000
Transfer from F&M Loan	-	\$3,000,000
Total General Fund Revenues:	\$6,391,370	\$10,233,835



Green Lights for Sirens and Lights

In FY25, the Police Department purchased an Opticom emergency vehicle signal preemption system using roughly \$50,000 in grant funds. Opticom allows approaching fire, rescue, and police vehicles to communicate with traffic signals so that lights can be safely changed in their favor. This helps emergency crews move through intersections more quickly and reduces the risk of collisions.

After purchasing the equipment, we learned that installation would require an additional investment of about \$50,000. Our initial plan was to pursue a grant in FY26 to help cover that cost, but that funding did not materialize. The proposed FY27 budget includes funds to complete the installation using all local dollars, which would allow the system to be installed in late summer or early fall. Once operational, Opticom should help emergency responders move through key intersections more efficiently and safely when every second counts.



Why the increase in capital spending for parks?

Capital spending in our parks is set for an increase this year—and not just from building Wellness Quarter. But leaving aside that little capital project on Grove Street (which is listed in “General Properties” until completion), most of these expenditures reflect the less glamorous but essential work of maintaining facilities that residents already enjoy. Parks, like any public infrastructure, require periodic reinvestment if they are to remain safe, attractive, and functional over the long term.

For example, the proposed FY27 budget includes \$67,000 to repave portions of the Oakdale Park lane and parking areas. A portion of this work was completed two years ago, and the current allocation will allow us to address roughly half of the remaining pavement that needs attention. The budget also includes \$17,000 to repaint the rafters at Generations Park and \$19,000 for improvements at Sandy Bottom Mini-Golf.

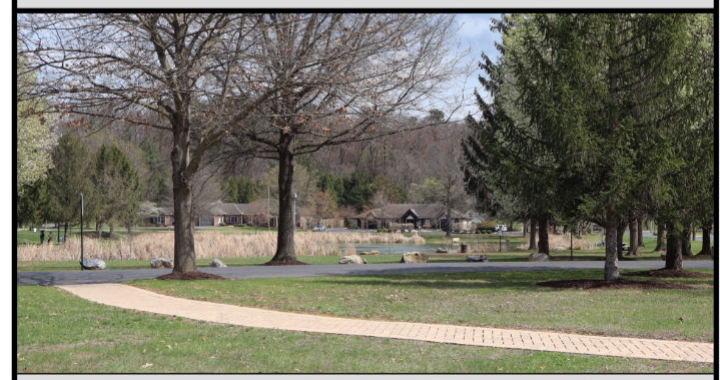
While this work may not be as noticeable as new facilities, routine upkeep extends the life of existing ones and keeps them looking their best.

Year 2027 Budget General Fund Expenditures

General Fund Expenditures	FY 2026	FY 2027
Police and Public Safety		
Personal Services	\$759,300	\$841,173
Overtime	33,500	
Fringe Benefits	294,200	331,173
Contractual Services	45,000	43,000
Axon In-Car Cameras	10,400	
Flock Camera Service	13,000	13,000
Auto Repair	5,500	8,000
Gas, Oil, Tires	26,000	25,000
Payments to Outside Officers	-	10,000
Other Charges	36,100	36,000
Capital Outlay	120,000	50,000
Total:	\$1,343,000	\$1,357,352
Parks		
Personal Services	\$298,400	\$268,723
Fringe Benefits	110,100	106,347
Contractual Services	70,000	65,000
Other Charges	70,000	54,000
Riverwalk, Phase III	413,103	413,103
Capital Outlay	49,000	154,700
Total:	\$1,010,603	\$1,061,873



Riverwalk III will extend the path east from Edgebriar Park.



Gen Oak II will carry the connector around the pond.

Year 2027 Budget General Fund Expenditures

General Fund Expenditures	FY 2026	FY 2027
Highways, Streets, & Sidewalks		
Personal Services	\$162,800	\$154,438
Fringe Benefits	69,200	70,387
Contractual Services	166,284	165,000
Street Paving	657,302	606,845
Street Lights	98,327	106,047
Gen-Oak Connector II	43,525	473,921
LAMEZ Construction	104,665	97,165
B-Safe Pedestrian Beacons	78,332	72,269
Capital Outlay	59,000	49,500
Other Charges	50,000	55,000
Total:	\$1,489,435	\$1,850,572
Public Works		
Personal Services	\$152,000	\$163,323
Fringe Benefits	61,700	68,544
Contractual Services	25,000	35,000
Other Charges	1,900	8,000
Total:	\$240,600	\$274,867



Gen Oak II (and Riverwalk too)

Last year, we wrote that we'd be designing Gen Oak II in FY26 and bidding it for construction in FY27. We're on track, as engineering work is completed, and we're just about ready to bid. As a refresher, Gen Oak II will pick up where the Gen-Oak Connector currently ends and continue east around the Oakdale Pond and then north parallel to Parkside Drive. We will then add a crosswalk to connect to the existing sidewalk on Parkside. This leads to the Bridgewater Retirement Community's Crist Farm walking trail, thus creating a continuous walking path from Windsor Estates all the way to Midtown.

As similarly noted in the box to the right, we may try to bid Gen Oak II with Riverwalk III for some cost savings. Gen Oak II is a Transportation Alternatives (TA) grant which is 80% VDOT funded and 20% Town funded. The same holds true for Riverwalk III, which will extend east along Riverside Drive and terminate near the Bridgewater College softball field. We hope to have both of these projects out to bid later this summer.



Crosswalk Projects

We have a couple of long-awaited VDOT-funded crosswalk projects that we hope to get off the books this summer. One is "LAMEZ," which will install a pair of "Rectangular Rapid Flashing Beacons" ("RRFBs") at a new crosswalk on Main Street at Generations Park. The cool part of LAMEZ is the Z-shaped pedestrian refuge area that will be installed in the existing center lane. (See what we did there? It would just be LAME if it didn't have a Z.) This project dates as far back as 2018; the VDOT grant we initially were awarded was cancelled, as VDOT retooled the Highway Safety Improvements Program (HSIP). We reapplied under the new HSIP grant in 2022, and we're finally at a place where we can bid the project this spring. The other crosswalk project will add a pair of RRFBs on Mt. Crawford Avenue (near Gen Oak I and Naomi Lane) and Dinkel Avenue (at Blue Ridge Christian School).

We thought we would have completed these projects in FY26, but we had some concerns about funding. While HSIP projects provide 100% funding, we've seen construction and material costs (and inflation) soar the past few years. We expressed these concerns with VDOT and delayed bidding the projects to see if additional funding were available. Fortunately, VDOT was able to allocate some additional funding. In addition, because these two projects are similar in scope, we've been authorized by VDOT to bid them together. This should reduce some costs that might be duplicated by bidding these separately (like project mobilization). We will be bidding these crosswalk projects this spring and, hopefully, be under construction by late summer 2026.



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

Safety Second!

Safewise once again ranked Bridgewater as one of the safest communities in Virginia! Bridgewater, perennially one of the top 5, came in second this year—just behind Buena Vista. Safewise's rankings are based on the violent crime and property crime rates gathered by the FBI.

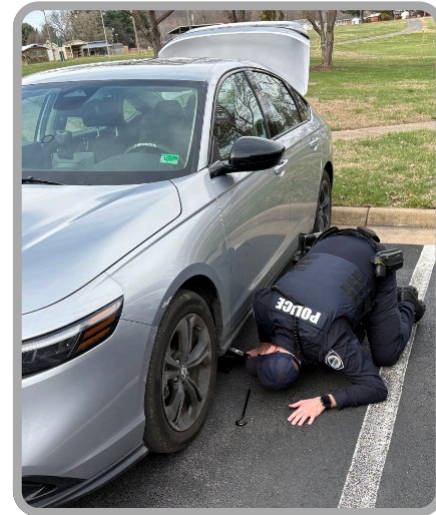
In 2025, we experienced 0.3 violent crimes and 5.7 property crimes per 1,000 people. These are far below the Virginia averages of 3.3 violent crimes and 23.8 property crimes.

The fact that Bridgewater is a safe place to live and work is a testament not only to our residents who have built such a great community but also to the tireless work of our Police Department.



Our officers have reunited many a lost dog with their worried owners.

Our officers often go the extra mile to help residents when they need it.



Investing in Police

One of the priorities of our proposed FY27 budget is to ensure that the Bridgewater Police Department is among the best-paid in the region. We did not set this goal with the intention of starting (or trying to win) a bidding war with other localities. We are increasing salaries to demonstrate that we want the best officers and we're willing to pay for the best.

We currently have excellent officers, and we want to keep them! When it comes time to recruit a new officer, we don't want lower pay to be the reason we lose out on the best candidate.

Going the Extra Mile
Bridgewater Police



An unwanted guest was escorted from the Lawn Party by our police chief.

What About the Cost?

There is obviously a cost to paying our officers well, but there is also a cost to failing to do so. Without adequate pay, a locality would struggle to recruit and retain the best officers. When that happens, a hard choice would have to be made. Continue on with vacant positions, or hire less-than-ideal candidates. Both choices can lead to higher turnover and lower morale. There is an inherent cost to that as well.

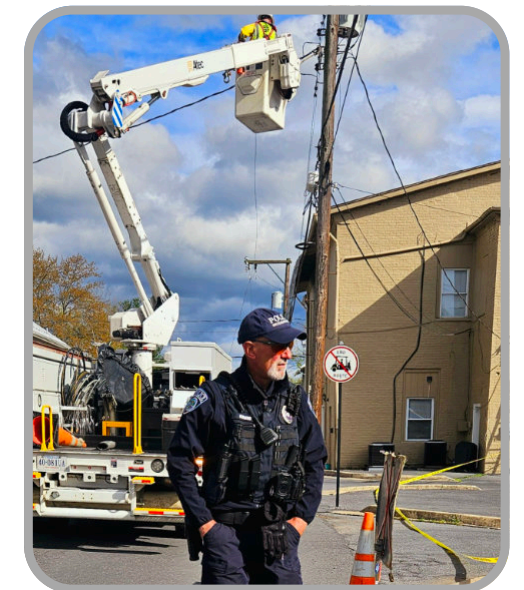
Struggling to hire and keep the best officers also risks a cost that goes beyond mere finances. The effects of bad policing can be devastating. Lives can be forever changed, trust utterly broken, and a sense of community lost.



Officers teach bicycle safety to children in our community.



Bridgewater Police not only lead parades as they wind through town, but they also reroute through traffic and ensure the safety of the parade route.



Officers help keep everyone safe and traffic flowing when construction, maintenance, or repairs create closures.



An officer spends time with a visiting class of schoolkids and teaches them about the the Police Department.

The Return on Investment


On the other hand, good policing builds up a sense of community. That's what we expect from our officers.

Our police are here to make our town a better and safer place to live. They check on businesses to make sure they are secure late at night. They talk with kids playing in the parks to ensure a safe environment for everyone. They help to ensure that drop-off goes smoothly at the elementary school. You can call on them to patrol by your house when you're out of town, and you know they will respond quickly and calmly when an emergency arises.

That is why we want only the best, most community-driven and professional officers in the Valley!

Year 2027 Budget General Fund Expenditures

General Fund Expenditures	FY 2026	FY 2027
General Properties (incl. Greenwood & Ames)		
Personal Services	\$228,700	\$215,927
Fringe Benefits	98,700	98,770
Contractual Services	110,000	95,000
OTH Repairs and Displays	27,000	20,000
Other Charges	33,000	21,000
Capital Outlay	0	22,450
Wellness Quarter Completion	-	3,000,000
Total:	\$497,400	\$3,473,147
Sipe Center		
Personal Services	\$117,200	\$110,634
Fringe Benefits	47,400	43,769
Live Performances	156,000	152,000
Movies	38,300	35,000
Contractual Services	47,800	49,000
Capital Outlay	0	11,600
Other	43,512	43,000
Total:	\$450,212	\$445,003
Recreation		
Personal Services	\$221,800	\$331,224
Fringe Benefits	78,000	136,837
Wellness Quarter Equipment	-	30,000
Contractual Services	93,000	95,000
Other Charges	57,000	57,000
Total:	\$449,800	\$650,061
Community Development		
Personal Services	\$31,000	\$46,635
Fringe Benefits	13,700	21,682
Festivals & Entertainment	74,350	76,900
Employee Morale	22,000	32,000
Contractual Services	23,000	23,000
Passport Processing	1,750	1,400
Current Printing & Mailing	20,000	22,951
Other Expenses	22,000	22,000
Community Donations	65,000	56,700
Total:	\$272,800	\$303,268




Reviewing the Books

Virginia law requires every locality to undergo an independent financial audit each year. The purpose is simple: an outside accounting firm reviews the Town's books and financial procedures to ensure that our financial statements are accurate and that public funds are handled properly.

Bridgewater's auditor is PBMares. The firm (or its predecessor) has served in that role for decades. The Town regularly evaluates other firms, but PBMares has consistently earned the assignment.

The audit process involves more than simply reviewing numbers at the end of the year. The auditors help prepare year-end adjusting entries, compile the Town's financial statements, and issue an independent opinion on the results. For FY25, the auditors concluded that the Town's financial statements present fairly, in all material respects, the financial position of the Town in accordance with generally accepted accounting principles. (That's accountant talk for a "clean audit," and we very much like cleanliness.)

Our Treasurer, Robyn Whiting, said, "PBMares has provided exceptional auditing and consulting services to the Town. Their commitment to service and quality places them in a class of their own." Jay Litten, the Town Manager, added, "I respect them," which doesn't seem like much, but if you know Jay, you know it says everything.




Legal Advice

The Town Attorney's role is to provide whatever legal advice and representation the Town may require from time to time. In Bridgewater, that work is handled through a combination of in-house effort and outside counsel.

Our Town Manager served as the Town Attorney for many years before assuming his current duties, and, despite rumors to the contrary, he has not forgotten everything he used to know. As a result, almost all of the Town's routine legal work—drafting ordinances, interpreting new legislation from Richmond, reviewing contracts, and similar matters—can be handled internally.

But Jay is not the Town Attorney. For that, the Town relies on Jason Botkins, who is an outstanding local government attorney in his own right. He regularly attends our Town Council meetings to ensure that everything runs smoothly and properly. Jason also becomes involved in litigation, unusual matters, or those things which could just benefit from a fresh pair of eyes. In other words, if the Shenandoah Valley Flapjacks ever decide to sue the Town for breakfast discrimination, Jason is the one we would call. We are fortunate to have him.

This approach allows the Town to handle routine legal work efficiently while still having redoubtable outside counsel available whenever circumstances require it.



Why are we stopping the reserve fund contributions?

Because we met our goal. Some years ago, our auditors recommended that we build a reserve fund of two million dollars. The task seemed daunting at first, but we directed an increasing share of our sales tax revenue to the fund, and we reached that goal several months ago. Now that the target has been met, the sales-tax revenue stream will be used to service the Wellness Quarter debt.

That doesn't mean we've stopped saving—only that the savings are happening in different places. Funds related to the Wellness Quarter are going into a separate account that we hope will not only cover the semiannual payments but also allow us to pay the debt off early. At present, that fund holds more than \$650,000.

We have also created "holdbacks" in the water and sewer categories (included on pages 12-13). Once connection fees reach a designated threshold, all additional fees are set aside in reserve accounts.

We like the holdback approach for two reasons. First, it keeps us saving. Second, it lets us budget connection fees more realistically. Connection fees are probably the least predictable revenue source we have, so we cannot rely on them for must-do projects. Holdbacks solve that problem. They allow us to budget our best estimate while automatically setting aside the excess once collections pass a designated threshold.

Together, these steps ensure that we remain financially disciplined, prepared for uncertainty, and committed to long-term stability even as circumstances evolve.

Year 2027 Budget General Fund Expenditures

General Fund Expenditures	FY 2026	FY 2027
Town Council		
Personal Services	\$43,500	\$44,976
Fringe Benefits	3,400	3,509
Other Charges	1,900	2,000
Total:	\$48,800	\$50,485
Town Manager's Office		
Personal Services	\$503,123	\$472,810
Fringe Benefits	196,125	189,625
Contractual Services	15,000	36,000
Other Charges	20,000	21,000
Capital Outlay	-	11,000
Enforcement Software	8,000	0
Total:	\$742,248	\$730,435
Treasurer		
Personal Services	\$216,000	\$225,150
Fringe Benefits	84,600	89,107
Contractual Services	28,000	30,000
Other Charges	5,000	6,000
Total:	\$333,600	\$350,257
Economic Development		
Personal Services	\$36,100	\$18,315
Fringe Benefits	16,300	5,854
Contractual Services	12,000	6,500
River Roo Promotion	5,000	7,500
Other Charges	5,600	5,000
Total:	\$75,000	\$43,169
Insurance and Consultants		
Town Attorney	\$35,000	\$35,000
Independent Auditor	55,700	52,500
Insurance & Bonding	140,000	139,193
Total:	\$230,700	\$226,693
Debt Service		
Principal Reduction	\$185,657	\$303,190
Interest	88,578	398,636
Total:	\$274,235	\$701,826
Addition to Reserves	\$411,100	\$0
Contingency	\$26,980	\$12,504
Total General Fund Expenditures:	\$7,896,513	\$11,531,512

Year 2027 Budget Enterprise Fund Revenues and Expenditures

Cost of Services in Context

To understand how Bridgewater's utility costs compare regionally, we surveyed nearby jurisdictions this year. Thirteen towns and cities responded. When the combined cost of water, sewer, and refuse collection was compared, Bridgewater ranked 6th out of 14 jurisdictions. Monthly costs ranged from \$61 to \$200, with our total at \$129. (See chart below.)

Direct comparisons among communities should be made with caution, because service structures vary. For example, state regulations require larger towns like Bridgewater to have a licensed operator present at the water treatment plant at all times. Smaller systems are not always subject to that requirement. Likewise, some localities operate their own treatment plants, while we pay the regional sewer authority for sewage treatment. The type of service offered can also vary. Our fees include access to the recycling center, while others may have no recycling service or perhaps include curbside recycling.

Despite these differences, comparisons can be a useful benchmark. We expect our relative position to improve modestly next year, as sewer rates are set to increase at only half the rate of inflation this year.

Maintaining reliable infrastructure while keeping services affordable remains one of our central goals.

Water Department

Revenues	FY 2026	FY 2027
Charges for Services	\$1,416,000	\$1,555,689
Connection Fees & Costs	107,784	123,071
Penalties	26,100	28,000
Total:	\$1,549,884	\$1,706,760

Expenditures

Water Treatment Plant Operations		
Personal Services	\$354,000	\$303,536
Fringe Benefits	147,300	128,050
Contractual Charges	150,000	160,000
Water Connection Holdback	-	30,768
Other Charges	30,000	30,000
Capital Outlay	37,000	19,500
Subtotal:	\$718,300	\$671,854

Water Distribution System

Personal Services	\$155,400	\$148,934
Fringe Benefits	61,800	63,041
Contractual Services	210,000	150,000
Other Charges	85,000	40,000
Capital Outlay	92,167	73,000
Subtotal:	\$604,367	\$474,975

Total Treatment and Distribution Expenses:	\$1,322,667	\$1,146,829
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Year 2027 Budget Enterprise Fund Revenues and Expenditures

Sewer Department

Revenues	FY 2026	FY 2027
Charges for Services	\$2,462,500	\$2,461,723
Connection Fees & Costs	279,419	223,367
Penalties	24,000	24,000
HRRSA Board Contribution	600	600
Total:	\$2,766,519	\$2,709,690

Expenditures

Personal Services	\$96,600	\$95,212
Fringe Benefits	35,700	37,424
Contractual Charges	35,000	45,000
Contractual Services-HRRSA	1,037,571	1,023,626
Sewer Connection Holdback	-	55,842
Other	21,000	22,000
Capital Outlay	83,167	256,000
Debt Service	121,235	122,073
Interest	19,154	17,828
Total:	\$1,449,427	\$1,675,005

Sanitation Department

Revenues	FY 2026	FY 2027
Sanitation Fee	\$679,700	\$724,064
Recycling Fees	42,100	44,350
Sale of Recyclables	3,400	3,400
Total:	\$725,200	\$771,814

Expenditures

Personal Services	\$165,800	\$185,717
Fringe Benefits	73,700	88,584
Waste Management	321,300	341,983
Contractual Services	24,400	25,000
Other Charges	21,000	21,000
Landfill Fees	142,100	185,000
Capital Outlay	25,000	0
Total:	\$773,300	\$847,284

Stormwater Management

Revenues	FY 2026	FY 2027
Utility Fee	\$202,900	\$220,388
Total:	\$202,900	\$220,388

Expenditures

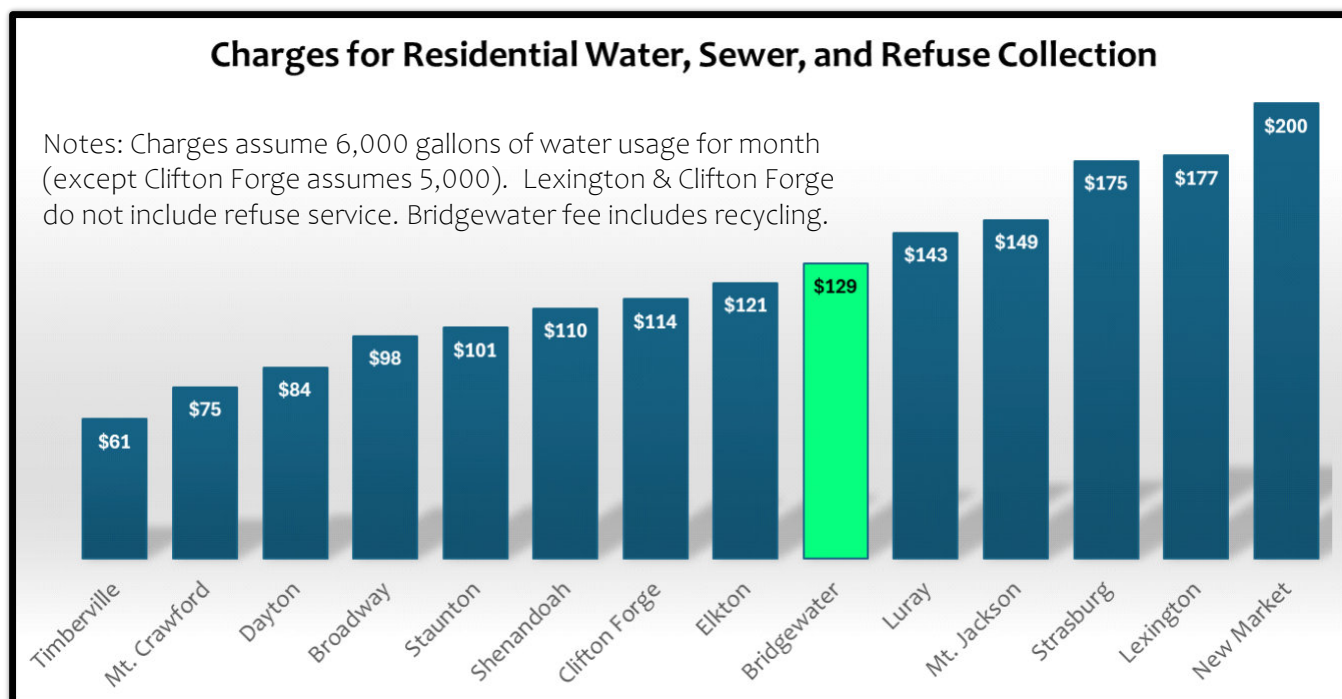
Personal Services	\$86,200	\$99,316
Fringe Benefits	34,600	41,041
Contractual Services	15,000	45,000
Drainage Remediation	25,000	
Other Charges	6,500	6,500
Capital Outlay	26,666	250,000
Total:	\$193,966	\$441,857

B! Fountainhead Subdivision

Our engineer is finalizing plans for water, sewer, and stormwater improvements in the Fountainhead Subdivision. (The subdivision is comprised of Cindie Lane, Brian Avenue, and Stephen Circle.) A significant portion of the planning cost was funded through a Community Development Block Grant (CDBG) planning grant.

With design work nearing completion, we anticipate initiating stormwater improvements first. A portion of these costs may be eligible for reimbursement through VDOT maintenance funds, with the remainder supported through the capital outlay identified above.

For the water and sewer improvements, we plan to apply for a CDBG construction grant this summer. While highly competitive, this project aligns well with CDBG program priorities. If awarded, the grant would position the Town to bid and construct the new water and sewer lines in 2027.



F! Stormwater Team Update

Last year, we noted our efforts to build a team to oversee stormwater and erosion management (ESM) responsibilities. Since then, our Environmental Practitioner, Greg Dustin, has completed all six necessary requirements to earn his Combined Administrator Certification. Additional staff members have completed or are actively pursuing certifications as well. While we appreciate Rockingham County's handling the responsibilities over the past five years, we're pleased to now have the expertise in place to handle ESM operations in-house beginning this summer.



The IDA leases the restaurant space at Generations Park to Sakura Bridgewater Inc.

Year 2027 Budget Industrial Development Authority

IDA FY 2027 Budget

Revenues	FY 2025	FY 2026
Fees from 501(c)(3) borrowers	\$3,000	\$3,000
Lease Proceeds	53,000	54,000
Note Payments	0	0
Capital Financing	0	0
Transfer from Reserves	0	0
Total:	\$56,000	\$57,000
Expenditures		
Personal Services	\$1,000	\$1,000
Contractual Services	2,000	2,000
Legal Services	1,000	1,000
Debt Retirement	18,000	17,875
Interest	21,000	20,585
Capital Expenses	0	0
Add to IDA Reserve	13,000	14,540
Total:	\$56,000	\$57,000



What does the IDA do?

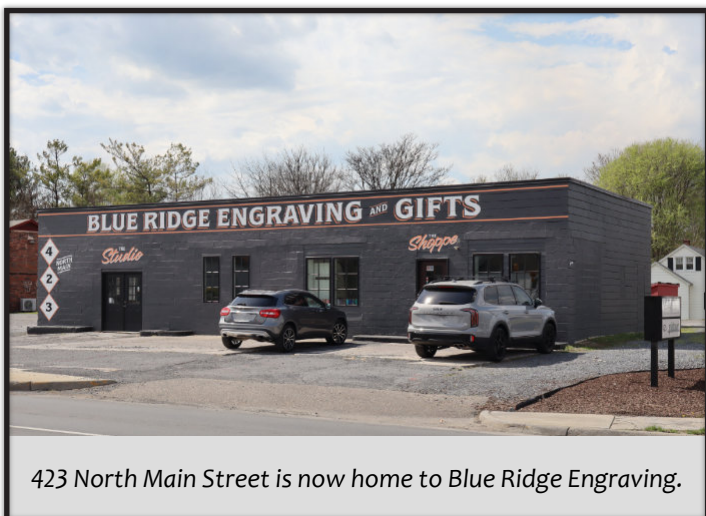
The Bridgewater Industrial Development Authority (IDA) has played an important role in the Town's well-being by helping make major community investments possible. For example, the IDA facilitated a \$60 million bond for Bridgewater Retirement Community to fund capital improvements—allowing the organization to secure a favorable interest rate with no financial risk to the IDA or taxpayers. The IDA also played a critical role in the award-winning financial plan for Generations Park, used its design-build framework to construct Sipe Center, and has reinvested its own revenues into community features like the LED marquee and neighborhood signage at Sipe Center.

One of the IDA's key functions is helping qualified nonprofit organizations—such as colleges, healthcare providers, and charitable groups—access lower-cost financing through tax-exempt bonds. In these cases, the IDA serves only as a facilitator: a bank provides the loan, and the nonprofit is fully responsible for repayment through its own revenues. These bonds are not backed by the IDA, the Town of Bridgewater, or the Commonwealth of Virginia, and they carry no risk for taxpayers. While this program has largely operated behind the scenes in past years, the IDA plans to raise awareness of it in 2026 so more eligible organizations can take advantage of the opportunity. The process is designed to be straightforward and efficient, with clear, modest fees that cover administrative costs. In short, the IDA helps local and regional nonprofits secure financing in a way that benefits the community—without adding cost or risk to residents.



Lease Proceeds

The IDA receives proceeds from leasing property owned by them at 423 North Main Street and the restaurant space at Generations Park. In December, the IDA approved a lease agreement with Blue Ridge Engraving for 423 North Main Street. They specialize in a variety of custom-engraved products. The IDA is very happy to have Sakura and Blue Ridge Engraving as tenants at these two locations.



423 North Main Street is now home to Blue Ridge Engraving.

To the Citizens of Bridgewater,

It's once again budget season, a busy time of year for Town staff and the Finance Committee. It involves looking back at the past year to see how our budget estimates fared, so we can use that information and understand how to budget for the upcoming year. The Town Manager works with department heads to assemble a "wish list" of potential projects. The list is pared down, shared with the Finance Committee, and ultimately gathered into a very lengthy spreadsheet, which we outline in this budget guide to you, the residents of Bridgewater.

Before we look ahead to the new year, it's a good moment to look back at what we've accomplished during FY26. We completed Shiverwood Park as the Town's 14th park. We continue to work on improving traffic flow with traffic signal coordination. We utilized a CDBG planning grant to design very important stormwater, water, and sewer improvements at Fountainhead Subdivision. And we took time to repair two historic structures in Bridgewater: Old Town Hall and the Train Depot at Oakdale Park.

Perhaps the biggest project of the decade started in FY26: Wellness Quarter. As you have likely seen, construction on the Wellness Quarter is underway. This facility will offer gym space for basketball, volleyball, or pickleball. It will also feature an elevated walking track, allowing Town residents to walk indoors year-round. The project also provides significant upgrades to the Doug Will Tennis Center, including a new HVAC system and new lighting. We're very excited to see Wellness Quarter come online later this year.

We are very close to starting three major projects funded through VDOT grants: Riverwalk Phase III, extending Riverwalk east from Edgebriar Park; Gen-Oak Connector Phase II, extending Gen-Oak east around the Oakdale Park pond; and Crosswalk Projects that will improve pedestrian safety on Main Street, Dinkel Avenue, and Mt. Crawford Avenue. We also received another economic development grant from Rockingham County to fund additional holiday lights as part of our "Winter WonderLane" at Oakdale Park.

The Town's calendar of events remains full with numerous activities, concerts, and events. Between our Parks & Recreation Department and Sipe Center, there is plenty to keep us entertained. Our 11th season of ice skating at Generations Park just concluded, 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.

Once again, I'm pleased to report that our budget 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 (with the exception of sewer fees that will increase at half that rate). This allows us to keep up with important infrastructure improvements. In 2026, we've also reached our goal of hitting \$2 million in our reserve fund. This is a credit to our Town staff that have worked hard to balance our budget while continuing to provide high-quality services.

As always, I really appreciate the time our Town Manager, Treasurer, and staff put in to complete the budget process and produce this informative budget guide. I encourage each of you to review this budget guide and come to Sipe Center on Tuesday, April 28 at 7:00 pm to hear more about our proposed 2027 budget.

Cordially,

Steven A. Schofield
Finance Committee Chairman



Wellness Quarter in Harrison Park is well underway and is slated to open in mid-FY27.

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Public Hearing for Comments on the FY27 Budget Tuesday, April 28, 7:00 pm at Sipe Center

But Wait, There's More...

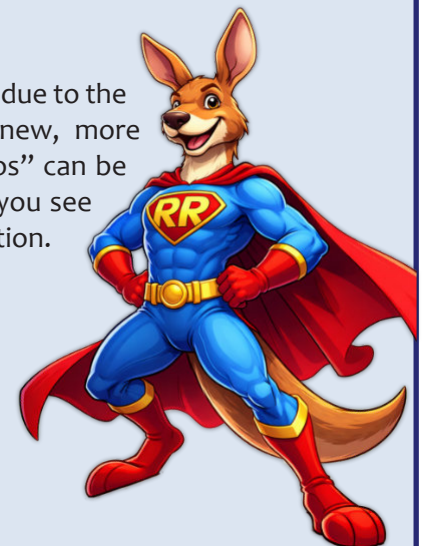
The Miller Metric

Named for the late, legendary Bridgewater citizen John Leigh Miller, this is a comparison of key Bridgewater salaries to those in other communities. We saved a lot of space in the budget book by moving this info online, and John Leigh still got his favorite charts. You can use the QR to access the latest Miller Metric.



River Roos

The River Roo program started great last year but then ran into technical difficulties due to the fragility of the back-end system. We have been quietly issuing new, more powerful River Roos for a couple of months now. These "Super Roos" can be used anywhere in Bridgewater but will get you a discount wherever you see the "ROO5" sticker in town. Use the QR code for much more information.



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