

City Council Adopted

Annual Financial Plan

Fiscal Year 2026

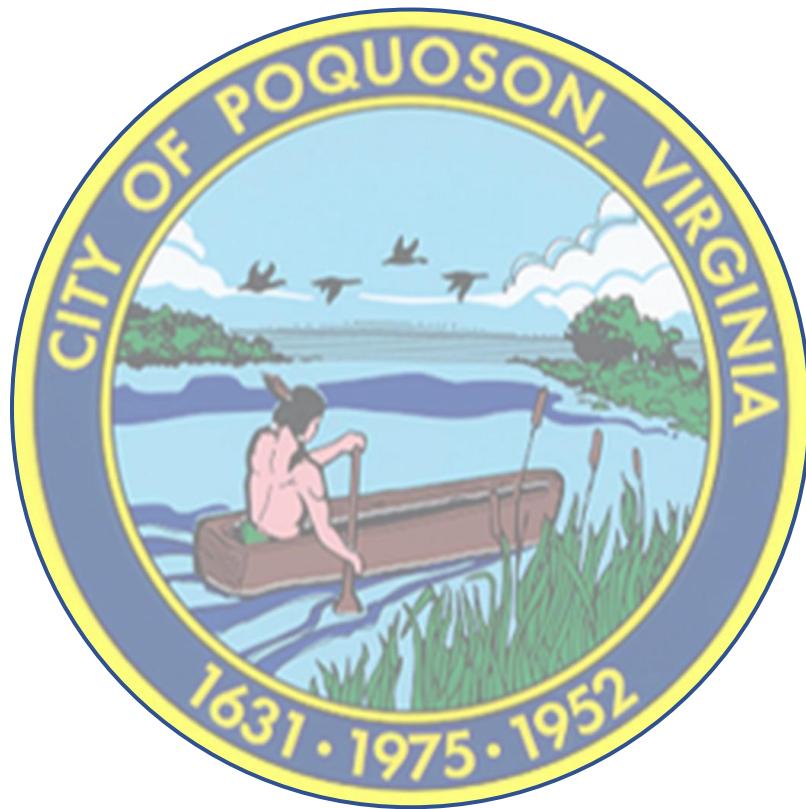


City of Poquoson, Virginia

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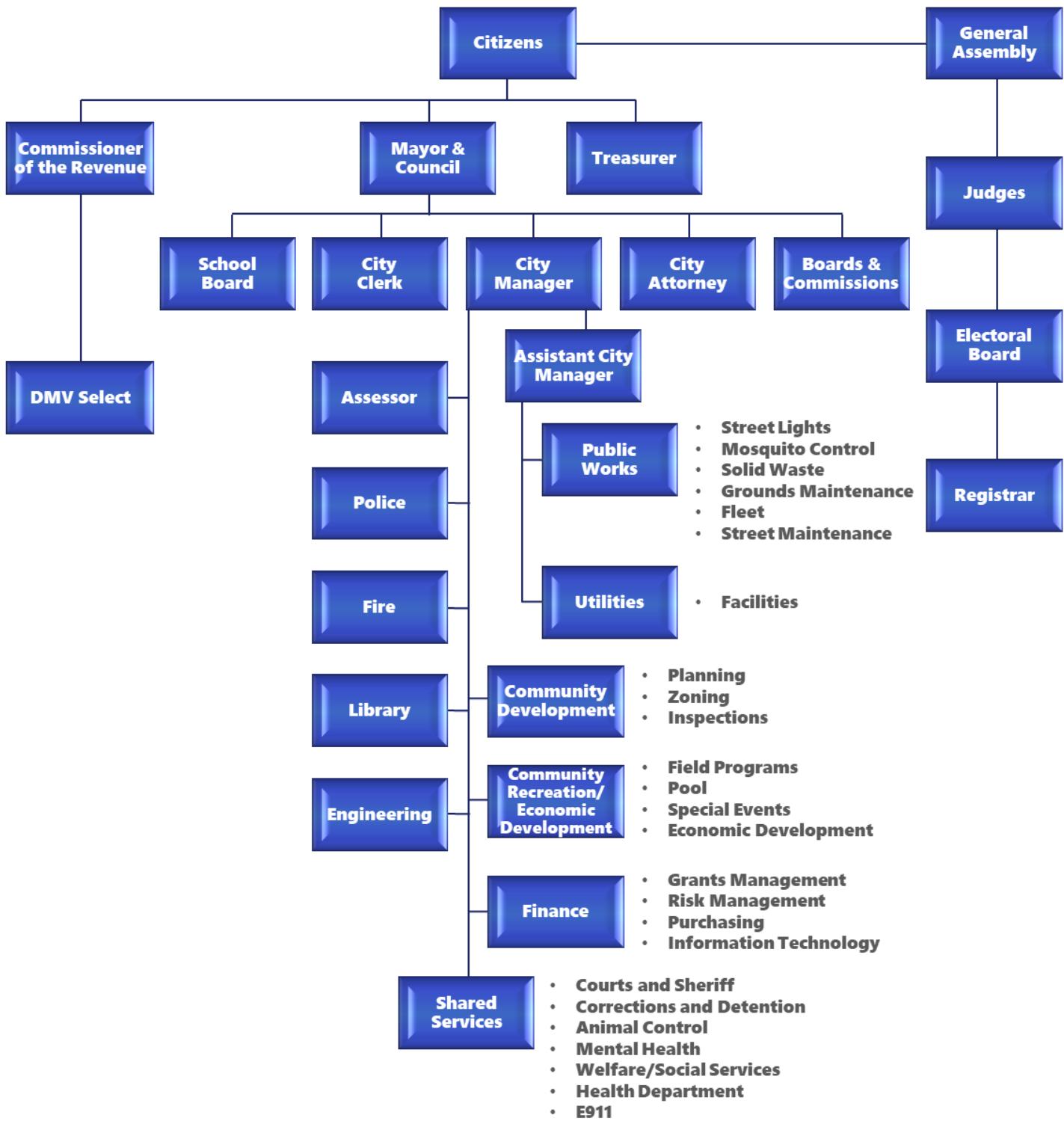
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INTRODUCTION





Organization Chart



City Council



David Hux
Mayor, At-Large



Keith Feigh
Central Precinct



Charles M. Southall, III
Central Precinct



Carey L. Freeman
Eastern Precinct



Anjie Emmett
Eastern Precinct



Debra D. Bunting
Vice Mayor
Western Precinct



Jeanne D. Hubbard
Western Precinct



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Poquoson
Virginia**

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morrell

Executive Director



The City of Poquoson, which had been a part of York County for many years, became a town in 1952 and an independent city in 1975 upon referendum of the citizens. However, the ties remain close with certain municipal functions continuing to be shared with York County to include the Courts, Social Services, Sheriff's Department and E-911 Center.

Poquoson is the oldest continuously named community in Virginia. The term "poquoson" was used to describe a boundary line between 2 elevated tracts of land. Such a boundary contained a stream, river, or creek with its adjoining marsh which lay between 2 tracts of higher ground. Poquoson was used as a common noun and is found in many deeds along the eastern seaboard. Through the years the term became a proper noun for the land that lies between 2 such poquosons - the Old Poquoson River and the New Poquoson River.

The first mention of Poquoson was in Captain Christopher Calthrope land grant issued by a court in Elizabeth City on April 26, 1631. Three years later the Poquoson Parish was named as a beneficiary in the will of Benjamin Symms for "a free school to educate and teach the children of Elizabeth City and Poquoson." This New Poquoson Parish originally included the areas known today as Poquoson, Tabb, Grafton, Dare, and Seaford.

The southern portion of the Poquoson District in York County was incorporated in 1952 to retain control over its schools. The city form of government was adopted June 1, 1975.



The City is organized under the Council-Manager form of government. The Poquoson City Council is comprised of seven members who are elected by voters on a non-partisan basis and serve four-year staggered terms. The City is divided into three precincts, with each precinct entitled to two representatives. The City Mayor is elected at large. Persons elected to City Council take office on the first day of January following the election.

The City Council is the policy determining body of the City. Its responsibilities include: adoption of the City budget; creation, combination or elimination of City departments; approval of all tax levies; approval of amendments, supplements or repeals to ordinances and the City Code; and appointment of the City Manager, City Clerk, City Attorney, School Board and other various local boards, commissions and committees. The Manager serves at the pleasure of Council, carries out its policies, directs business procedures and has the power of appointment and removal of all heads of departments (except Constitutional Officers) as well as all other employees of the City.

One of the most important services provided by a city to its taxpayers is the education of the children in the community. The Virginia State statutes put Virginia schools under the dual control of the State Education Board and a local school board. The State Education Board provides operational procedures, standards of education and state school and formulas for partial funding. The City must provide all capital improvement funds, pay debt on school projects and provide any additional operating funds required, but not provided by the State Education Board and federal aid. The City Council's authority is limited to appointing local school board members, appropriating funds by state established categories and issuing debt relating to school projects. Local school boards do not have taxing or bond issuance authority.

The City of Poquoson provides a full range of services, including police and fire protection; the maintenance of highways, streets, and other infrastructure; recreational activities, library services, community development activities, and cultural events. The City also owns and maintains sewage facilities; contracts for trash pick-up and disposal, recycling, landscaping and bulky items; owns and operates a City pool; and manages various paid recreational activities. In addition to general governing activities, the governing body has significant financial influence over the Poquoson City Public Schools and the Economic Development Authority (EDA).

April 14, 2025



Honorable Mayor and Members of City Council Poquoson, Virginia

Thank you for the opportunity to present the City Manager's Recommended Budget for Fiscal Year (FY) 2026, submitted in accordance with Article V of the Poquoson City Charter.

Introduction:

Each year we begin the budget development process with a detailed review of the current fiscal year and the City's overall financial position. I am pleased to share that, despite the lingering effects of the public health emergency, high inflation rate and other economic challenges, the City's overall financial position remains strong. At this point, we can anticipate a small, positive year-end contribution to the General Fund Balance; however, I would like to point out that the City's projection for real estate taxes this fiscal year is expected to be nearly \$500,000 under budget. This is primarily due the effects of higher-than-normal mortgage interest rates and sharp, unanticipated increases in the real estate tax exemption and deferral programs, and the pace of new construction is slightly behind what had been projected. We have been able to offset the shortfall in this particular revenue line item through other revenue collections, particularly interest earned.

As we look forward to the upcoming fiscal year, a number of significant issues must be considered as part of the budget development process. These are:

Continued high inflation, lingering supply chain issues and high mortgage interest rates. These factors have negatively impacted the cost of goods and services needed to support local government activities and impact the rate in which new residential and non-residential construction projects are completed (and potential changes to the local school student population), as well as, consumer spending.

Significant hiring and retention challenges continue, though our relative position has improved. With the approval of the Public Safety Pay and Step Plans, and the initial implementation of the General Government pay plan, we have begun to see evidence that our market challenges pertaining to recruitment are lessening. It is quite possible that in the near future we will have all vacant positions in Police, Fire and Public Works filled. We are still challenged to keep pace with increasing starting/hiring salaries of competing local governments, the state government and the private sector. Noticeably competitive pressures from the federal government have eased considerably.

Poquoson Schools are facing similar wage, recruitment and retention challenges. While we defer to the Superintendent and School Board to speak for and about the specific challenges they are experiencing, they have traditionally faced the same recruitment and retention challenges as the City government due to low starting pay and lower relative pay ranges. The School Board's recent work pertaining to updating the Division's Classification and Compensation System is an effort to help address this issue.

Changing federal priorities and federal work force reductions. The local and regional impacts of changing federal government priorities and down-sizing of the federal workforce are unclear, but could be significant and the timing and duration of these potential impacts is unclear.

Real Property Reassessment. FY2026 is a real property reassessment year. The average increase for the two-year period since the last reassessment in FY2024 is approximately 7%. I would point out that while the average is 7%, some properties will see a larger increase based on the assessed value of the specific property.

Significant growth in tax relief and deferral programs. These programs, particularly the state-mandated programs, are one of the fastest growing areas of our budget. We project an increase in the tax relief program of approximately \$700,000 compared with the current fiscal year's adopted budget projection of \$1,100,000. The total revenue impact project for the next fiscal year is approximately \$1,800,000 or nearly the equivalent of eight cents on the real estate tax rate.

The City Council has recently adopted a Mission, Vision and Strategic Initiatives document to help inform and guide City efforts for FY2026 and throughout the next four years.

Vision

Poquoson is a distinctive and cherished community. Through thoughtful actions, strategic investments, and meaningful initiatives, we are committed to building upon the city's strengths, ensuring its long-term sustainability, and preserving its unique character. Our goal is to maintain and enhance Poquoson as one of Virginia's exceptional places to live, work, and thrive.

Mission

Building on and maintaining Poquoson's strong financial foundation, the City Council and staff will collaborate to deliver exceptional public schools, public safety, and effective government services. We are dedicated to making purposeful investments in our community's quality of life while fostering complementary, balanced growth and development.

Strategic Initiatives

1. *Conduct a careful review of the City's Comprehensive Plan and supporting ordinances, prioritizing the north side of Victory Boulevard, followed by an evaluation of the City's central business district.*
2. *Launch the planning process for the development of a new community and/or recreation center.*
3. *Commit to enhancing public employee compensation through targeted efforts in the annual budget process.*
4. *Develop and implement a multi-year plan to expand sidewalks and improve pedestrian connectivity across the City.*

Additional Areas of Focus

1. *Leverage the "Poquoson is the Place" brand through expanded placemaking initiatives and aesthetic enhancements that highlight our city's unique character.*
2. *Pursue opportunities to enhance public outreach and foster a strong sense of community through engagement and collaborative efforts.*

As of this printing, the Commonwealth has not yet completed its work on the State FY2026 Budget. This adds an additional level of uncertainty to our budgetary planning particularly as it relates to employee compensation and state support for public schools.

Guiding Principles of Budget Development:

As the budget team and I worked through the development of this budget recommendation, we continued to use the five guiding principles that have helped provide a framework for the past several budgets. These five guiding principles are:

Stable Property Tax Rates: In recommending this budget I am recommending a stable real estate tax rate; all other tax rates, including for Personal Property remain unchanged.

Focus on Existing Services: The Recommended Budget prioritizes the continuation of existing programs and services.

Adherence to Financial Guidelines: The Recommended Budget has been prepared in accordance with the City Council's Adopted Fiscal Management Guidelines.

Base Financial Recommendation on Best Information Available: As noted previously, the Commonwealth of Virginia has not yet completed its budget work, the period of historically high interest rates continues and the Federal Reserve is anticipated to potentially lower interest rates twice later this year. Additionally, changing federal priorities and workforce downsizing will have an impact on our state, our region and local community, however the specific impacts are uncertain at the time of this writing. Each of these factors adds uncertainty to future budgetary planning. This Recommended Budget is based on the best information available.

Limit New Initiatives: There are only two items presented in the General Fund budget that could be considered new initiatives. Together these two new initiatives have FY2026 cost of less than \$25,000. The first is a recommendation to allocate \$10,000 to support the Child Development Resources' capital campaign request. If approved, this could be considered an initial, annual contribution toward their total request of \$100,000. The second initiative is \$13,000 for the City to join the Colonial Soil and Water Conservation District.

Consistent with our past practice, the remainder of the Budget Message is structured around the City's five identified strategic budgetary focus areas. This budget message will also reflect efforts in the current fiscal year that relate to each focus area.

Strategic Focus Area #1 – Public Education:

The Recommended Budget recommends an increase in local funding for the School Division of \$600,000 which equates to 37.3% of the total new revenue forecasted for the General Fund. For reference, the local transfer to the School Division to support school operations in the FY2025 budget is 31% of General Fund revenues. The School Board's request, which is dependent on state budget estimates and Average Daily Membership is a local funding increase of \$1,487,697. The General Assembly's approved budget contains a 3% compensation adjustment for state supported school positions; however, the State has not completed its work on next year's budget as of this date. This level of local funding, combined with increased State funding is sufficient to fund a 3% general wage increase for School Division staff and to partially implement its recently completed Classification and Compensation Study. This recommendation supports the Council's strategic initiative *to enhance public employee compensation through targeted efforts in the annual budget process*. The School Division anticipates a possible increase in State funding support for FY2026 that, when combined with an anticipated reduction in the projected health insurance increase, may reduce the requested increase on local support to \$847,758.

Additionally, the recommended budget also includes an increase in the Debt Service Fund associated with the debt service costs for the recent borrowing of \$2,800,000 for High School HVAC VAV project. In the Capital Projects Fund, there is \$2,600,000 in funding provided for the High School roof replacement, which will be funded through issuance of new debt.

Strategic Focus Area #2 – Public Safety:

The Recommended Budget contains full year funding for the Public Safety Pay and Step Plans, compression adjustments and step plan for eligible employees, approved and implemented by Council in the fall of 2024. This Budget also includes funding for the FY2026 step increase for eligible public safety employees. Each of these recommended increases supports the Council's strategic *initiative to enhance public employee compensation through targeted efforts in the annual budget process.*

The budget also includes required increases for Animal Control (handled by City of Newport News) - \$4,765, and the Shared Services with York County for the City's share of expenditures for the Sheriff, Commonwealth's Attorney and the Clerk of Circuit Court and related expenses - \$89,788. I would note that we are expecting small reductions in our required contributions for the Regional Jail and the Juvenile Detention facilitated due to reduced utilization.

In addition to these items, the City is currently awaiting the arrival of a new ladder truck and medic unit for the Fire Department. We look forward to receiving the new truck and moving into the new Public Safety Building in April of this year. Earlier this year, with Council's support, we purchased and have already placed into service Squad 1 for the Fire Department, as well as a new unmarked car for the Police Department to be used as part of our new driveway enforcement program.

Strategic Focus Area #3 - Quality of Life:

There are no new quality of life initiatives in the FY2026 Recommended Budget. We do have three quality of life projects that are in-process. This spring we will complete phase one of the Two Tree Park plan with the installation of the shelter. Additionally, we are in the process of completing right-of-way surveys for upper Poquoson Avenue and a portion of Little Florida Road to support the Council's strategic initiative *to develop and implement a multi-year plan to expand sidewalks and improve pedestrian connectivity across the City.*

Strategic Focus Area #4 – Quality of Services:

Providing high quality services to our community continues to be one of the most important priorities for our local government. For the upcoming fiscal year, we have worked to eliminate any significant new initiatives and have chosen to focus on increasing employees' compensation. The Recommended Budget contains a 3% pay scale adjustment for all regular full-time and part-time employees to help ensure that we can continue to recruit and retain quality staff members. This recommendation supports the Council's strategic initiative *of enhancing public employee compensation through targeted efforts in the annual budget process.*

As Council is aware, Poquoson's starting pay and pay ranges, as well as the School Division's, have historically been lower than most other Hampton Roads communities. The City Council recently approved a new pay plan, compression adjustment and step plan for eligible Police and Fire personnel as well the initial implementation of an updated pay plan for the General Government. The results of the School Division's study are in line with the finding of the City's study last year indicating that we are considerably below market in terms of starting and average pay based on years of service. While we all recognize that it may take several years to achieve a more competitive market position, it is clear to me that before we can begin to catch-up, we must make sure we do not lose ground relative to our market competitors. The level of the general compensation increase recommended in this budget is in line with our closest market competitors, with the exception of York County which has proposed a 4% increase. Should we be unable to support at least the 3% general wage increase recommended in this budget for both City and School employees it will exacerbate our existing recruitment and retention challenges.

Strategic Focus Area #5 – Fiscal Stability:

I am pleased to share with you that despite the many challenges over the last several years our fiscal position remains strong. The City remains in compliance with all of its adopted fiscal management policies, our fiscal stability reserve

remains fully funded and is at \$1.2 million, which is above the Council established one-million-dollar level, and our bond ratings, including the AAA from Standard and Poor's, remain unchanged.

Conclusion:

The main focus of this budget is to support the City Council's *Vision and Mission* by continuing existing service levels and programs while making continuing investments in our public work force, including Schools, to guard our ability to recruit and retain highly qualified staff and to enable us to continue to deliver the high quality of governmental services our community has come to expect.

The past several years have brought unprecedented challenges to our city. Working together we have successfully negotiated each of these challenges. As we look forward, we have a number of new challenges facing us, particularly the impacts of changing federal government priorities, the federal government downsizing efforts and a rapidly increasing real estate tax exemption and deferral program, the vast majority of which is outside of our ability to control and cannot yet be fully quantified. As we look to next fiscal year and beyond, we will closely monitor the impacts of these challenges and work together to make any adjustments necessary.

I would like to thank the members of the City Council, School Board and staff that each play an important role in the development of the annual budget. My team and I look forward to working with Council members as you begin your formal deliberations.

**J. Randall Wheeler
City Manager**



The financial accounts for the City are organized on the basis of funds. In governmental accounting, a fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements of the Annual Comprehensive Financial Report. The City Budget includes all funds where financial transactions are recorded. The following are used by the City:

Governmental Funds

- **General Fund:** Used to account for all revenues and expenditures applicable to the general operations of the City, which are not accounted for in other funds.
- **Debt Service Fund:** Used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- **Capital Projects Fund:** Used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary funds).
- **Special Revenue Fund/Grants:** Used to account for resources and expenditures related to State and Federal grants for community development and public safety.
- **Special Revenue Fund/OPEB:** Used to account for resources and expenses related to Other Post-Employment Benefits, mainly health insurance.

The General Fund of the City is divided into functional areas, such as General Administration, Public Safety, Public Works, Health & Welfare, Parks, Recreation & Cultural, Community Development, etc. Each department within a functional area has its own budget, such as, Police and Fire within the functional area of Public Safety. The Budget format presents expenditures by functional area and departments within a specific function.

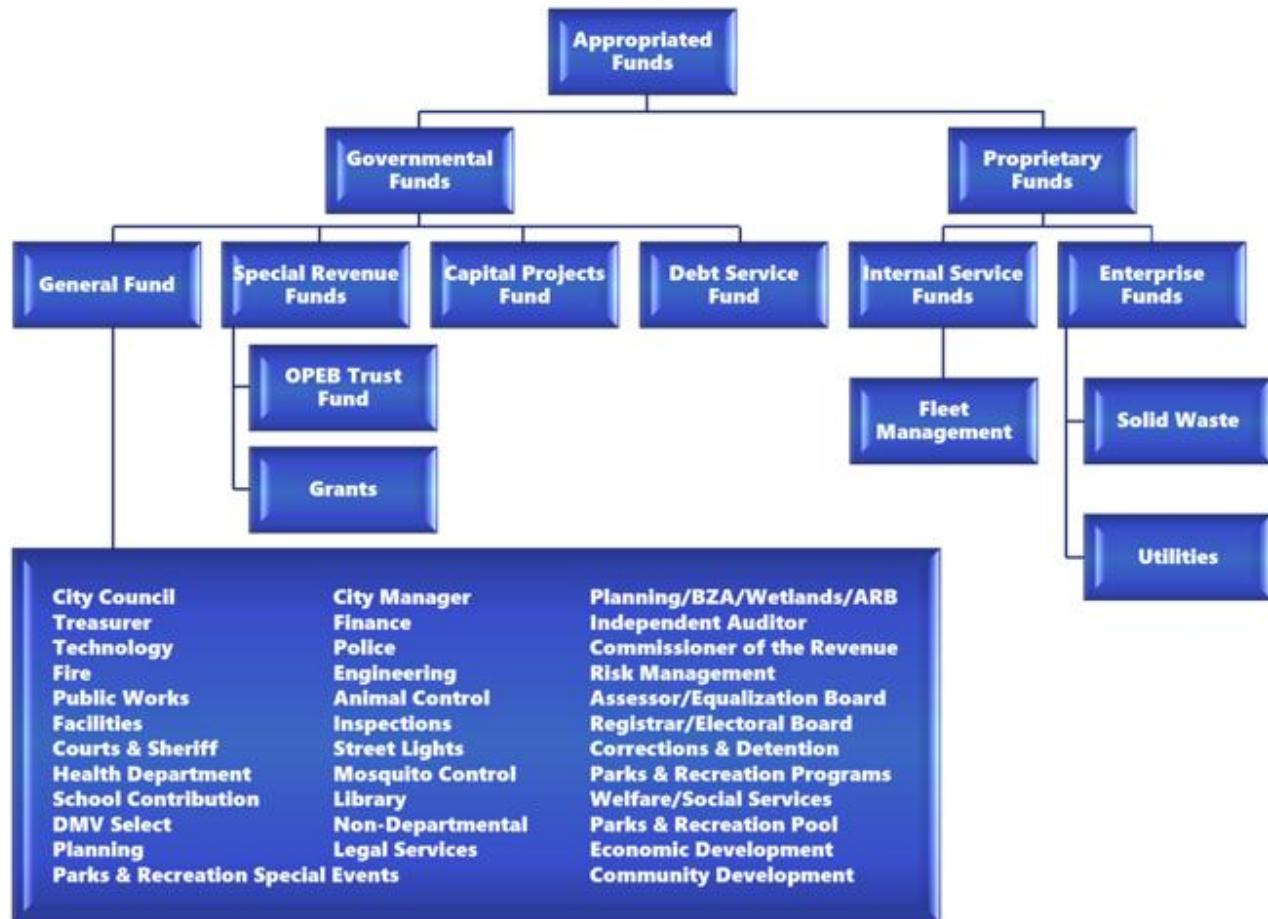
The General Fund qualifies as a major fund as defined by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Under GASB's guidance, a major fund is defined as any fund whose revenues, expenditures/expenses, assets or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds. For budget purposes, a major fund is any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10% of the revenues or expenditures of the appropriated budget in accordance with the Government Finance Officers Association's (GFOA) Distinguished Budget Award program criteria. The General Fund also qualifies as a major fund under this GFOA criteria for the FY2026 budget.

Proprietary Funds (Business-Type Activities)

Proprietary Funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs of operating and providing services to the public is completely or partially financed from user charges; or (b) where the governing body has determined that the periodic determination of net results of operations is appropriate for management control and accountability.

Proprietary Funds include:

- **Solid Waste Enterprise Fund**
- **Utilities Enterprise Fund**
- **Fleet Management Internal Service Fund**



The relationship between the departments and the funds is as follows:

Fund	General Admin	Judicial Admin	Public Safety	Public Works	Health & Welfare	Education	Comm. Dev.	Debt Service	Non-Dept
Governmental Funds:									
General Fund	X	X	X	X	X	X	X		X
Capital Projects Fund	X	X	X	X	X	X	X		X
Debt Service Fund									X
Special Revenue Fund / Grants	X	X	X	X	X	X	X		X
Special Revenue Fund / OPEB	X								
Proprietary Funds:									
Solid Waste Enterprise Fund				X					
Utilities Enterprise Fund				X					
Fleet Management Fund				X					

The Commonwealth of Virginia requires each municipality in Virginia to adopt an annual budget which conforms to certain minimum standards. The purpose of this requirement is to ensure accountability for the public funds entrusted to the City's elected officials. While accountability is certainly an important element, our approach to budget development in Poquoson goes beyond accounting.

The Annual Financial Plan is one of the most important accomplishments by City Council during any fiscal year. Expressed in very simple terms, this budget document is the City's "Plan of Action" for the next year. The document tells the reader where and in what priority the City will apply its resources and what the City expects to accomplish. If we have been successful in our efforts, a reading of this document should give our citizens a good idea of the financial status of our City as well as the progress being made in many service areas.

Departmental budget and agency requests are submitted to the Finance Department by the end of December. The Finance Department reviews the budget with the Departments. Every line item in a departmental budget must be fully justified.

A key component of the budget process involves feedback received from the public. In January each year, the budget cycle begins with a public hearing that is held to invite comments and suggestions from citizens to help guide the preparation of the Proposed Budget. Additionally, at this meeting, the City Council is invited to provide directives on budget priorities for the Annual Financial Plan. The information gathered at this meeting helps guide the subsequent budget development process.

The Finance Director meets with department heads as necessary to review requests. Inevitably, revenue estimates fall short of total departmental requests. It is the responsibility of the City Manager to prepare a budget in which available revenues are budgeted with the proposed expenditures of City departments, regional agencies and the local funding of the School system. In order to accomplish this, the City Manager must recommend reductions in departmental requests and tax or fee increases or a combination of both if necessary.

As a final step, the City Manager's recommended budget is presented to City Council during the month of April. Subsequently, a public hearing and several work sessions take place. During this period, City Council may insert expenditures or may increase, decrease, or strike out any expenditure in the recommended budget except for already approved debt service. Within forty days of the budget being presented to Council, but in no event later than the thirty-first day of May, City Council shall approve a budget. If, for any reason the Council fails to approve a budget on or before such date, then the budget as submitted by the City Manager shall be the budget for the ensuing year.

The budget is prepared on the modified accrual basis of accounting, a basis of accounting in which expenditures are accrued but revenues are accounted for on a cash basis. This accounting technique is a combination of cash and accrual accounting, since expenditures are immediately incurred as a liability while revenues are not recorded until they are actually received or are measurable and available. The accrual basis of accounting, a method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows, is used for the proprietary funds, except for depreciation, amortization, debt principal payments and capital outlay. The Annual Comprehensive Financial Report is prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

The budget may be amended by the City Council through supplemental appropriations or transfers as necessary. In certain instances, as outlined in the *Code of Virginia*, a public hearing may be required before the City Council can take action. Through the annual budget adoption ordinance, the City Manager is authorized to transfer funds within and between appropriation functions. The legal level of budgetary control rests at the fund level.

The following brief summary of financial and budgetary principles and policies serve to guide the City in developing the Annual Financial Plan, which is formally recommended to City Council for adoption. The major components are as follows:

Financial Planning Policies

Balanced Budgets: All funds are subject to the annual budget process. All operating and capital fund budgets must be balanced — total anticipated revenues plus fund balances or reserves brought forward must equal total estimated expenditures each year. The Utilities Fund will be self-supporting. All budgets will be formulated and adopted on the basis of accounting consistent with generally accepted accounting principles (GAAP). The budget process will include coordinating development of the capital improvement budget with development of the operating budget.

Long-Range Planning: Budgets will be adopted annually, taking into consideration input from all organizational levels of the City. The Planning Commission recommends the Constrained Capital Improvement Plan (CCIP); the document then goes to City Council for approval. Approved capital projects are included in the annual budget document to the extent funds are available. The long-term revenue, expenditure, and service implications of continuing or ending existing programs or adding new programs, services, and debt will be considered while formulating budgets annually. The City will assess the condition of all major capital assets, including buildings, roads, sewer lines, vehicles, and equipment annually.

In preparing the current Annual Financial Plan, the City also looks to its vision included in its Comprehensive Plan. This is the City's long-range plan for the physical development of the City. The vision of the City of Poquoson is building a sustainable community. This sustainable community provides financial stability, retention of citizen disposable income, attraction of outside investment and spending, better circulation for mobility, improved transportation, enhanced recreation and amenities, increased quantity and quality in commercial goods and services.

The General Fund will maintain a minimum of 12% - 15% of total operating expenditures as its unassigned fund balance. Fund Balance of the General Fund shall be used only for emergencies, nonrecurring expenditures, major capital purchases that cannot be accommodated through current year revenues, financial opportunities to enhance the well-being of the City or State budget shortfalls.

Annually, the financial advisors meet with City Council to review policies to ensure the continuing compliances are met.

Revenue Policies

Revenue Diversification: The City will strive to maintain a diversified and stable revenue system to protect the City from short-run fluctuation in any one revenue source and ensure its ability to provide ongoing services. The City will identify all revenue and grant options available to the City each year. All revenue collection rates, especially for real estate and personal property taxes, will be reviewed annually, and all efforts to maximize receipt of revenues due will be made by the Treasurer's Office.

User Fees and Charges: Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery. Building permits and inspection fees are reviewed annually.

Recreation program charges will be reviewed annually. In general, all efforts will be made to provide programs and activities at an affordable level for the residents while still recovering a major portion of direct costs of programs, not to include administrative costs or the use of facilities. Charges for specialty classes such as baton, culinary,

etc. will be set at a level to encourage maximum participation, and also enable 70% to 80% of program receipts to be used to compensate instructors. Team sports participation fees will also be set to encourage maximum participation, while still recovering all direct program costs.

Admission and rental fees for the City pool are intended to provide an affordable service to citizens. Fees are not intended to recover 100% of the costs of operating the facility. The City encourages membership passes at a minimum fee, which provides an even more affordable opportunity for residents to enjoy the pool.

The City's Utilities Fund and Solid Waste Fund will be self-supporting. Sewer and solid waste charges will be reviewed annually and set at levels which fully cover the total direct and indirect costs – including operations, capital outlay, and debt service.

Use of One-time or Limited-time Revenues: To minimize disruptive effects on services due to non-recurrence of these sources, the City will not use one-time revenues to fund operating expenditures.

Expenditure Policies

Operating/Capital Expenditure Accountability: The City will finance all current expenditures with current revenues. The City will not issue short-term borrowing to meet cash flow needs. Future operating costs associated with new capital improvements will be projected and included in operating budgets. Capital Improvement Program budgets will provide for adequate maintenance of capital equipment and facilities and for their orderly replacement.

The budgets for all funds shall be controlled at the fund level. Expenditures may not exceed total appropriations for any fund without approval from the City Council. All operating fund appropriations will lapse at the fiscal year-end, except appropriations in the Capital Projects Fund. These monies can be used over a three-year period. The City will include a contingency line item in the General Fund to be administered by the City Manager to meet unanticipated expenditures of a nonrecurring nature. The City will maintain a budgetary control system to ensure adherence to the budget and will prepare and present to City Council monthly financial reports comparing actual revenues and expenditures with budgeted amounts.

Fund Balance Reserve

The fund balance reflects the accumulation of excess revenues over expenditures. The City adopted the current fund balance policy in FY2010. The Unassigned General Fund balance at the close of the fiscal year shall be no less than 12% — 15% of the total General Fund expenditures. During the current operating year, City Manager and City Council review the unassigned General Fund balance as compared to the total General Fund expenditures to ensure compliance of the policy. The City has built a fiscal stability reserve of \$1.2 million, with an increase of \$100,000 appropriated during FY2025. This portion of the fund balance provides sufficient working capital for the City and serves as a “rainy day” fund for emergencies, pandemics or unforeseen circumstances.

Debt Policy

The objective of the City's debt policy is to maintain the City's ability to incur present and future debt at the lowest interest rates in amounts needed for financing the adopted Capital Improvement Program without adversely affecting the City's ability to finance essential City services. During FY2010, the City adopted three debt policies to help ensure and promote long term financial stability. The City's tax supported debt service as a percentage of General government expenditures should not exceed 10%, the tax supported debt of the City shall not exceed 3% of the total assessed value and the City shall retire at least 50% of the principal amount of the City's tax supported debt within 10 years. (General Government expenditures shall be equal to general fund operating expenditures, plus

the school operating fund expenditures, less the general fund transfer to the schools operating fund.) The City does not issue long-term debt to finance current operations.

A five-year Constrained Capital Improvements Plan is developed and updated annually along with corresponding anticipated funding sources. Capital projects financed through either bank qualified borrowing or the issuance of bonded debt will be financed for a period not to exceed the useful life of the project.

Investment Policy

The following is a brief synopsis of the investment policy of the City of Poquoson. The Treasurer of the City of Poquoson is an elected Constitutional Officer, whose responsibility, in part, is to invest funds in an expedient and prudent manner, meeting or exceeding all statutes and guidelines governing the investment of public funds in Virginia.

Cash and reserve balances from all funds will be consolidated to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the funds based on their respective participation and in accordance with generally accepted accounting principles. Each month, the Treasurer reports to City Council the cash and investment activity and balances.

The primary objectives of investment activities shall be safety, liquidity and yield. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

Budget Amendment Process

The adopted General Fund Budget may be amended in one of two ways as outlined by the Code of Virginia. The City Manager is authorized to transfer funds within a fund for transfers of \$50,000 or less. Revisions that alter total appropriations for a fund must be approved by City Council. Therefore, the level of control at which expenditures may not exceed appropriations is the total expenditure level of each fund. In certain instances, as outlined in the State Code, a public hearing may be required before the governing body can amend the budget.

The City must adopt a balanced budget on an annual basis that is enforced under state law for the City as a whole. The budget is designed to allow as much flexibility as possible for departments to implement Council goals and objectives while still imposing guidelines. To this end, the budget is itemized at the departmental level for operating expenditures and the project level for capital expenditures. The current budget provides expenditure allocations by Fund, Department, and Expenditure categories.

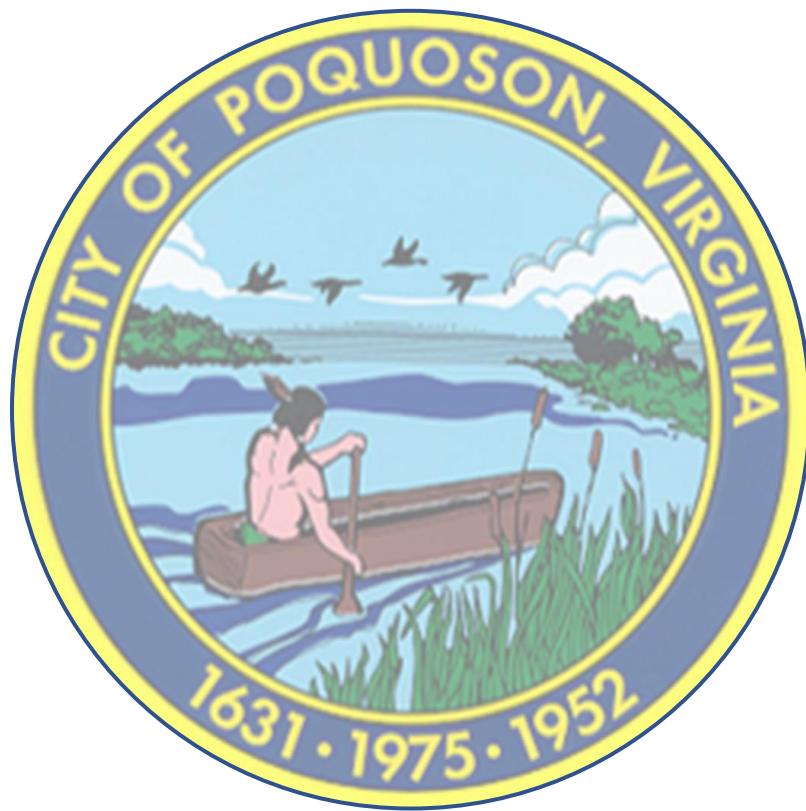
For the operational budget, it is the expenditure categories management will use to monitor a department's fiscal responsibility and its success at planning the year. These budget categories are comprised of individual line items and budget requests were submitted and detailed by line item. For capital projects, the budget will be monitored on a project basis. The budget format includes staffing levels by department and/or division. This document is intended to provide insight into the operating policy of the City, as well as demonstrate the City's commitment to fiscal responsibility and the needs of the citizens.

In the document, the Budgeted Fiscal Year 2025 reflects the City Council adopted budget. The percentage and dollar change between Budgeted Fiscal Year 2025 versus Budgeted for Fiscal Year 2026 are based on the adopted budget for Fiscal Year 2025.

The budget preparation for the City of Poquoson begins with the budget timeline. The timeline provides when departments and outside agencies will receive their package, when the packages are due by to the Department of Finance and when the City Manager Recommended Budget will be presented to City Council.

Budget Timeline	
November	<ul style="list-style-type: none">○ Budget preparation instructions distributed to Department Heads○ Budget letter request mailed or emailed to Outside Agencies
December	<ul style="list-style-type: none">○ Department expenditure budget requests due to Finance○ Finance begins review of departmental budget requests○ Outside Agency budget requests due
January	<ul style="list-style-type: none">○ Departmental budget meetings with Finance begin○ Advertise pre-budget public hearing○ FY2026 pre-budget public hearing and work session
February	<ul style="list-style-type: none">○ Departmental budget meetings with Finance completed○ Superintendent's Proposed Budget presented at School Board work session
March	<ul style="list-style-type: none">○ Final adjustments by Finance Department and City Manager to Proposed Revenues and Expenditures○ Poquoson School Board public hearing on Superintendent's Proposed Budget and Adoption of Budget○ Publish notice of public hearing on tax rate and equalized tax rate○ School Board approved budget forwarded to City Council○ Budget work session with City Council and School Board
April	<ul style="list-style-type: none">○ Proposed Budget distributed to City Council Members○ Presentation to City Council of proposed tax rates and fees○ Publish notice of budget public hearing and proposed tax rates and fees○ Public hearing on budget at City Council Meeting
May	<ul style="list-style-type: none">○ City Council adoption of budget

BUDGET OVERVIEW



Summary of Revenues and Transfers In by Fund

Fund	FY 2023	FY 2024	FY 2025	FY 2026	FY 2026
	Actual	Actual	Adopted Budget	Department Requested Budget	City Council Adopted Budget
General	\$ 35,640,042	39,259,349	38,415,554	41,923,662	40,005,149
Debt Service	3,942,847	4,165,579	4,157,790	4,364,349	4,364,349
Capital Projects	5,120,916	4,961,231	4,200,500	4,624,644	4,374,644
Solid Waste	1,213,771	1,368,719	1,516,945	1,631,689	1,631,689
Utilities	3,399,635	2,649,706	2,451,674	3,087,121	3,087,121
Fleet Management	999,789	999,761	1,007,889	1,124,029	1,124,029
Special Revenue/Grants	3,420,266	4,601,456	515,380	-	-
Special Revenue/OPEB	224,110	184,416	196,488	271,948	271,948
Total Revenue	\$ 53,961,376	58,190,217	52,462,220	57,027,442	54,858,929
Less Interfund Transfers	4,423,000	5,297,065	4,661,335	4,876,323	4,876,323
Net Revenue	\$ 49,538,376	52,893,152	47,800,885	52,151,119	49,982,606

Summary of Expenditures and Transfers Out by Fund

Fund	FY 2023	FY 2024	FY 2025	FY 2026	FY 2026
	Actual	Actual	Adopted Budget	Department Requested Budget	City Council Adopted Budget
General	\$ 33,243,569	35,600,297	38,415,554	41,923,662	40,005,149
Debt Service	3,805,776	4,245,949	4,157,790	4,364,349	4,364,349
Capital Projects	4,883,589	3,926,572	4,200,500	4,624,644	4,374,644
Solid Waste	1,204,698	1,251,044	1,516,945	1,631,689	1,631,689
Utilities	1,671,371	1,709,155	2,451,674	3,087,121	3,087,121
Fleet Management	977,156	977,655	1,007,889	1,124,029	1,124,029
Special Revenue/Grants	3,416,854	4,596,751	515,380	-	-
Special Revenue/OPEB	177,861	157,255	196,488	271,948	271,948
Total Revenue	\$ 49,380,874	52,464,678	52,462,220	57,027,442	54,858,929
Less Interfund Transfers	4,423,000	5,297,065	4,661,335	4,876,323	4,876,323
Net Revenue	\$ 44,957,874	47,167,613	47,800,885	52,151,119	49,982,606

Summary of Tax Rates and Fees				
	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted
General Fund Taxes and Fees:				
Real Estate Tax	\$1.13/\$100 AV	\$1.11/\$100 AV	\$1.14/\$100 AV	\$1.14/\$100 AV
Public Service Corporation	\$1.13/\$100 AV	\$1.11/\$100 AV	\$1.14/\$100 AV	\$1.14/\$100 AV
Personal Property Tax:				
Automobile	\$4.15/\$100 AV	\$4.15/\$100 AV	\$4.15/\$100 AV	\$4.15/\$100 AV
Boat	\$0.00001/\$100 AV	\$0.00001/\$100 AV	\$0.00001/\$100 AV	\$0.00001/\$100 AV
Trailer (Utility, Boat, etc.)	\$4.15/\$100 AV	\$4.15/\$100 AV	\$4.15/\$100 AV	\$4.15/\$100 AV
Recreation Vehicle	\$1.50/\$100 AV	\$1.50/\$100 AV	\$1.50/\$100 AV	\$1.50/\$100 AV
Mobile Home	\$1.13/\$100 AV	\$1.11/\$100 AV	\$1.14/\$100 AV	\$1.14/\$100 AV
Local Sales Tax	6%	6%	6%	6%
Meals Tax (food and beverage)	6%	6%	6%	6%
Consumer Utility Tax:				
Commercial	\$10	\$10	\$10	\$10
Residential	\$3	\$3	\$3	\$3
Cigarette Tax	\$0.20 per pack	\$0.20 per pack	\$0.20 per pack	\$0.20 per pack
Courthouse Security Fee	\$20	\$20	\$20	\$20
Recovery (EMS) Fees:				
ALS - 2	\$775	\$775	150% MFS	150% MFS
ALS	\$550	\$550	150% MFS	150% MFS
BLS	\$450	\$450	150% MFS	150% MFS
Transport Declined Fee	\$375	\$375	\$375	\$375
Oxygen Usage Fee	\$50	\$50	\$50	\$50
Mileage	\$12	\$12	150% MFS	150% MFS
Parks and Recreation Fees: *				
Youth Athletics	\$70 - \$95	\$70 - \$95	\$80 - \$95	\$90 - \$105
Adult Athletics	\$265 - \$440/team	\$265 - \$440/team	\$275 - \$440/team	\$275 - \$440/team
Camps	\$75 - \$250	\$75 - \$250	\$75 - \$300	\$75 - \$300
Exercise Classes	\$48 - \$65	\$48 - \$65	\$48 - \$65	\$48 - \$65
Pool Admission	\$4 - \$6	\$5 - \$7	\$5 - \$7	\$5 - \$7
Swimming Lessons	\$40 - \$75	\$40 - \$80	\$40 - \$80	\$40 - \$85
Swim Team - Summer	\$195	\$195	\$205	\$210
Pool Rental	\$210	\$210	\$210	\$220
Pool Passes	\$55 - \$75	\$65 - \$85	\$65 - \$85	\$70 - \$90

Summary of Tax Rates and Fees

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted
Facility Use Fees:				
Community Designated Group per Member	\$10 resident \$20 non-resident	\$10 resident \$20 non-resident	\$10 resident \$20 non-resident	\$10 resident \$20 non-resident
Non-Community Groups (based on field location/lights/time)	\$20 - \$110 per hour			
DMV Commission:				
1st \$500,000 of gross collection over \$500,000 gross collection	4.50% 5%	4.50% 5%	4.50% 5%	4.50% 5%
Solid Waste Fund Fees:				
Bag Fees	\$1.75 per bag	\$1.75 per bag	\$1.75 per bag	\$1.75 per bag
Container / Cart Bi-Monthly Fee:				
Plan A (35 gallon container)	\$35	\$40	\$40	\$40
Plan B (65 gallon container)	\$51	\$56	\$56	\$56
Plan C (Two 65 gallon containers)	\$85	\$90	\$90	\$90
Plan D (35 gal. container bi-weekly)	\$25	\$30	\$30	\$30
Plan E (no container)	\$18	\$23	\$23	\$23
Landscaping Debris	** \$60 per pickup			
Bulky Item Pickup	** \$63 per pickup	** \$63 per pickup	** \$63 per pickup	** \$63 per pickup
Drop-Off of Debris or Bulky	Free	Free	Free	Free
Second Recycle Container	\$12 per billing cycle			
Utilities Fund Fees:				
Sewer Service Fee:				
Commercial	\$58 bi-monthly plus \$1.75 hcf	\$53 bi-monthly plus \$1.75 hcf	\$53 bi-monthly plus \$1.75 hcf	\$53 bi-monthly plus \$1.75 hcf
Residential	\$58 bi-monthly	\$53 bi-monthly	\$53 bi-monthly	\$53 bi-monthly
Sewer Availability Fees	\$6,000 per vacant lot			

Notes:

The Personal Property tax is billed at calendar year rate.

Rate changes are shown in bold.

The real estate tax rate needed to fund all department requests in FY 2026 would be \$1.22 per \$100 assessed value.

MFS = Medicare Fee Schedule

AV = Assessed Valuation

hcf = 100 cubic feet

* Additional Non-Resident Fees Apply

** Homeowner receives one free pickup per year, either Landscaping Debris or Bulky Item

Summary of Revenues and Expenditures by Category

General Fund					
Revenues			Expenditures		
General Property Taxes	\$ 29,627,002		Personnel Services	\$ 10,510,945	
Other Local Taxes	3,942,000		Employee Benefits	5,335,280	
Permits, Licenses and Fees	206,500		Purchased Services	1,782,004	
Fines and Forfeitures	31,000		Internal Services	603,337	
Use of Money and Property	489,400		Other Charges	1,950,244	
Charges for Services	938,200		Materials and Supplies	329,274	
Miscellaneous Revenue	18,569		Payment to Joint Operations	1,935,987	
State Non-Categorical Aid	2,082,435		Capital Outlay	422,717	
State Categorical Aid	400,237		Transfer to Debt Service Fund	3,993,000	
State Other Categorical Aid	1,911,806		Transfer to Capital Projects Fund	379,500	
Federal Revenue	8,000		Transfer to Special Revenue-OPEB	153,823	
Transfer from Sewer Fund	300,000		Transfer to EDA	21,000	
Transfer to Solid Waste Fund	50,000		School Contribution	12,588,038	
	<u>\$ 40,005,149</u>			<u>\$ 40,005,149</u>	

Debt Service Fund					
Revenues			Expenditures		
Transfer from General Fund	\$ 3,993,000		City Debt Service	\$ 1,085,787	
Transfer from EDA	14,231		School Debt Service	3,128,562	
Bond Proceeds	150,000		Cost of Debt Issuance	150,000	
Fund Balance	207,118				
	<u>\$ 4,364,349</u>			<u>\$ 4,364,349</u>	

Capital Projects Fund					
Revenues			Expenditures		
Bond Proceeds	\$ 2,895,144		Poquoson High School Roof	\$ 2,600,000	
State Revenue	900,000		Street Paving	900,000	
Transfer from General Fund	379,500		Public Safety Vehicles and Equip	386,644	
Fund Balance - Bond Interest	200,000		Financial System Upgrade	200,000	
	<u>\$ 4,374,644</u>		Dump Truck Replacement	173,000	
			Facility Condition Assessment	100,000	
			Professional Services	15,000	
				<u>\$ 4,374,644</u>	

Special Revenue Fund/OPEB					
Revenues			Expenditures		
Retiree Contributions	\$ 118,125		Retiree Benefits	\$ 256,948	
Transfer from General Fund	153,823		Contribution to Trust	15,000	
	<u>\$ 271,948</u>			<u>\$ 271,948</u>	

Summary of Revenues and Expenditures by Category

Solid Waste Fund					
Revenues			Expenditures		
Solid Waste Fees	\$	1,403,000	Personnel Services	\$	106,312
Charges for Services - Other		20,500	Employee Benefits		42,717
Transfer from Retained Earnings		208,189	Purchased Services		709,203
			Internal Services		85,985
			Other Charges		14,600
			Materials and Supplies		21,380
			Payment to Joint Operations		601,492
			Transfer to General Fund		50,000
	\$	1,631,689		\$	1,631,689

Utilities Fund					
Revenues			Expenditures		
Sewer Service Fees	\$	1,806,380	Personnel Services	\$	417,372
Sewer Availability Fees		400,000	Employee Benefits		219,925
Late Payment Fees		45,000	Purchased Services		188,200
Transfer from Retained Earnings		835,741	Internal Services		52,553
			Other Charges		149,150
			Materials and Supplies		25,000
			Debt Service		687,671
			Transfer to General Fund		300,000
			Capital Outlay		1,047,250
	\$	3,087,121		\$	3,087,121

Fleet Fund					
Revenues			Expenditures		
Internal Service Revenue - City	\$	771,797	Personnel Services	\$	232,936
Internal Service Revenue - Schools		352,232	Employee Benefits		146,703
			Purchased Services		116,080
			Internal Services		1,060
			Other Charges		12,750
			Materials and Supplies		532,948
			Capital Outlay		81,552
	\$	1,124,029		\$	1,124,029

Summary of Fund Balance or Net Assets by Fund

	General Fund	Debt Service	Capital Projects	Solid Waste
Beginning Fund Balance, 7/1/2021	\$ 11,694,752	1,093,207	14,148,446	436,627
Actual FY 2022 Revenues	33,221,621	3,812,536	3,795,637	1,197,868
Actual FY 2022 Expenditures	(32,160,286)	(4,876,983)	(11,293,694)	(1,180,126)
Fund Balance, 6/30/2022	\$ 12,756,087	28,760	6,650,389	454,369
Actual FY 2023 Revenues	35,640,042	3,942,847	5,120,916	1,213,771
Actual FY 2023 Expenditures	(33,243,569)	(3,805,776)	(4,883,589)	(1,240,698)
Fund Balance, 6/30/2023	\$ 15,152,560	165,831	6,887,716	427,442
Actual FY 2024 Revenues	39,259,349	4,165,579	4,961,231	1,368,719
Actual FY 2024 Expenditures	(35,600,297)	(4,245,949)	(3,926,572)	(1,251,044)
Fund Balance, 6/30/2024	\$ 18,811,612	85,461	7,922,375	545,117
Estimated FY 2025 Revenues *	39,495,103	4,157,790	4,200,500	1,516,945
Estimated FY 2025 Expenditures *	(42,589,666)	(4,157,790)	(4,200,500)	(1,516,945)
Projected Fund Balance, 6/30/2025	\$ 15,717,049	85,461	7,922,375	545,117
Estimated FY 2026 Revenues	40,005,149	4,157,231	4,374,644	1,423,500
Estimated FY 2026 Expenditures	(40,005,149)	(4,364,349)	(4,374,644)	(1,631,689)
Projected Fund Balance, 6/30/2026	\$ 15,717,049	(121,657)	7,922,375	336,928

	Utilities Fund	Fleet Fund	Special Revenue Fund / Grants	Special Revenue Fund / OPEB
Beginning Fund Balance, 7/1/2021	\$ 8,380,247	(55,145)	169,592	260,601
Actual FY 2022 Revenues	1,870,906	913,581	92,283	209,030
Actual FY 2022 Expenditures	(1,449,337)	(882,667)	(92,283)	(202,678)
Fund Balance, 6/30/2022	\$ 8,801,816	(24,231)	169,592	266,953
Actual FY 2023 Revenues	3,399,635	999,789	3,420,266	224,110
Actual FY 2023 Expenditures	(1,671,371)	(977,156)	(3,416,854)	(177,861)
Fund Balance, 6/30/2023	\$ 10,530,080	(1,598)	173,004	313,202
Actual FY 2024 Revenues	2,649,706	999,761	4,601,456	184,416
Actual FY 2024 Expenditures	(1,709,155)	(977,655)	(4,596,751)	(157,255)
Fund Balance, 6/30/2024	\$ 11,470,631	20,508	177,709	340,363
Estimated FY 2025 Revenues *	2,451,674	1,007,889	515,380	196,488
Estimated FY 2025 Expenditures *	(2,451,674)	(1,007,889)	(515,380)	(196,488)
Projected Fund Balance, 6/30/2025	\$ 11,470,631	20,508	177,709	340,363
Estimated FY 2026 Revenues	2,336,550	1,124,029	-	271,948
Estimated FY 2026 Expenditures	(3,087,121)	(1,124,029)	-	(271,948)
Projected Fund Balance, 6/30/2026	\$ 10,720,060	20,508	177,709	340,363

* The Estimated FY2025 Revenues and Expenditures and Projected Fund Balance is based on preliminary estimates as of March 2025 and subject to change as actual revenue and expenditures are realized during the remainder of the fiscal year. While the overall General Fund Balance is projected to decrease during FY2025, this is based on the planned use of restricted and committed fund balance.

The Fund Overview includes a general overview of the Annual Financial Plan for Fiscal Year 2026 for the City of Poquoson. The summary provides a quick overview of the fiscal plans of the City for the upcoming fiscal year. It highlights some of the more significant items in the City's budget and addresses some of City Council's goals. The information contained in the Fund Summaries, Funding Sources and Departments has a considerable amount of detail for those who desire a more thorough review of the budget document.

The General Fund is the primary focus of the overview. This is the primary operating fund of the City and is used to account for most of the City's financial resources. The spending requirements of this fund determine the rates of local taxation.

In addition, budgets have been prepared for the Debt Service Fund, the Capital Projects Fund, the Solid Waste Enterprise Fund, the Utilities Enterprise Fund, the Fleet Management Internal Service Fund, Special Revenue Fund/Grants and Special Revenue Fund/OPEB.

The budget is available for public review in the City Manager's Office, and online at www.poquoson-va.gov.

General Fund

Revenues by Category:

The General Fund derives its revenue from a variety of sources as indicated in the funding sources section. The largest revenue source is from general property taxes, which includes real estate taxes, personal property taxes, public service corporation taxes, delinquent taxes and penalties and interest.

Real Estate Tax: The City expects to receive \$24,780,000 in real estate tax revenue in FY2026, along with \$100,000 in delinquent real estate tax. Real estate taxes are projected to increase by \$1,500,107, while delinquent real estate tax will remain unchanged.

The following factors make up the change in real estate:

- Growth projections for FY2026 are based on new homes and other improvements to be built throughout the year valued at \$44,850,000.
- The proposed real estate tax rate is \$1.14 per \$100 assessed value, which remains the same from the prior year.
- Tax relief for disabled veterans is a state mandated program that is an unfunded mandate for the City.
- These tax relief and deferral programs are estimated to increase from \$1,100,737 at the beginning of FY2025 to \$1,800,000 in FY2026 or 7.8 cents of real estate tax. In FY2025, an additional 42 applicants have been approved for the program. The City estimates an additional 14 applicants will be received and approved.

Public Services Corporation Taxes: The City expects to receive \$260,000 in FY2026, which is expected to remain flat.

Personal Property Taxes and the State Personal Property Tax Relief Act (PPTRA): The City has projected to receive a combined total of \$6,223,437; which remains flat from the FY2025. PPTRA established a statewide program by which the Commonwealth of Virginia was to provide relief for owners of personally-used motor vehicles from personal property taxation. Due to soaring costs associated with PPTRA, the 2004 and 2005 General Assembly sessions made significant changes to PPTRA. The changes include converting the program from an entitlement program to a block grant formula that caps statewide relief to local governments at \$950 million annually. The cap for Poquoson as identified by the State Auditor of Public Accounts for Personal Property Tax Relief is \$1,923,435.

The City adopted the “specific relief” method of computing and reflecting tax relief. The “specific relief” method allows a set single tax rate and applies tax relief at a specific percentage to each qualifying vehicle. One hundred percent of the personal property tax will continue to qualify for tax relief for qualifying for personal-use vehicles used for non-business purposes with a value of one thousand dollars (\$1,000) or less. The tax relief percentage will be at 44% for calendar year 2025.

Since not all personal property is affected by PPTRA, the City has estimated that citizens and businesses will pay 70% of personal property tax in FY2026. The FY2026 budget for the local personal property tax is \$4,300,002 and State non-categorical aid remains level at \$1,923,435.

The proposed personal property tax rate is \$4.15 per \$100 assessed value, which is the same rate since FY2008. The proposed boat tax rate is \$0.00001, the same since January 1, 2014. The proposed recreational vehicle tax rate is \$1.50, the same rate as in previous years.

Other Local Taxes:

The General Fund also realizes revenue from a variety of smaller local taxes such as local sales tax, communication sales and use tax, meals tax, consumer utility tax, and business licenses. The total of \$3,942,000 other local taxes accounts for 9.8% of total General Fund revenues and is expected to increase by \$77,000 from the FY2025 budget. The meals tax rate is 6% and the cigarette tax rate is \$0.20.

Other local revenue totals \$726,900 and includes permits; licenses and fees; fines and forfeitures; interest on investments; rental of property; and miscellaneous revenue.

Charges for services and miscellaneous revenue include passport fees, copying charges, charges for shared ground maintenance for the schools, EMS fees and Parks and Recreation activities for a total of \$956,769. The EMS fee will remain the same, and the total revenue for EMS fees is expected to be \$425,000.

In FY2026, revenue from parks and recreation programs is expected to be \$142,100. The pool revenue is expected to be \$94,500. The special events revenue is expected to be \$175,500, and \$11,500 in revenue is projected for the workboat race. The special events revenue provides family-oriented programs and festivals, which include the annual Seafood Festival, Easter Egg Hunt and the Holiday Parade. Miscellaneous revenue of \$18,569 is projected for FY2026.

State and Federal revenue is expected to be \$4,402,478 in FY2026, an increase of \$34,988 from the FY2025 original budget. During FY2023, the City received a new School Resource Officer (SRO) grant to add one new SRO. FY2026 is the final year of this grant.

Transfers include \$300,000 from the Utilities Fund and \$50,000 from the Solid Waste Fund. These Funds reimburse the General Fund for services that are provided by the staff of the Engineering, Public Works, Treasurer and Finance Departments.

Expenditures by Category:

School Expenditures: The contribution to schools accounts for 31.5% of the total General Fund budget. The FY2026 budget includes funding of \$12,588,038 for schools, which does not fully fund the School Board's FY2026 request to the City. The School's budget is based on an average daily membership of 2,057 students for the FY2026 school year, which remains flat from the expected students in the FY2025 school year. It should be noted that the principal and interest related to school debt account for 72% of the total Debt Service Budget. The City provides over \$15.7 million towards school operations and related debt.

In the past, the School Division has had unexpended transfers at the end of the year which were returned to the City. At the end of FY2024, there was \$2,725,569 in unexpended transfers. A total of \$491,273 was reappropriated to the school operations in FY2025, which included \$352,273 for curriculum and revisions to comply with new VDOE standards for the 2024-2025 school year, \$35,000 for the purchase of a new vehicle for the job coach program, \$60,000 for additional weapon detection systems, \$24,000 for the purchase and installation of GPS software for all school buses, and \$20,000 for renovations to the Poquoson Middle School interior courtyard. Additionally, \$2,234,080 was appropriated to the Capital Projects Fund for school capital projects, including \$1,500,000 for the high school HVAC replacement, \$50,000 for the elementary school gym floor resurfacing, \$82,000 for elementary school exterior painting, \$95,000 for phone system upgrades, \$292,080 for two school bus replacements and \$215,000 for high school parking lot resurfacing. If there are unexpended transfers at the end of FY2025, they may be reappropriated in FY2026.

City Personnel Services: Employee salaries, overtime, and benefits account for personnel services. City personnel services are \$15,846,225 in FY2026, a \$744,802 increase from the FY2025 budget. The FY2025 budget includes a 3% base compensation increase for all eligible full and part-time employees. Employee benefits account for 45% of personnel services. There is a 12% increase in health insurance premiums for FY2026 and the VRS rate remains unchanged at 15.24%.

General Fund Expenditure Uses

	FY 2025	FY 2026	\$ Inc / (Dec)	% Inc / (Dec)
School	\$ 11,988,038	12,588,038	600,000	5.00%
City	26,427,516	27,417,111	989,595	3.74%
Total	\$ 38,415,554	40,005,149	1,589,595	4.14%

General Fund Contribution to Schools

	FY 2025	FY 2026	\$ Inc / (Dec)	% Inc / (Dec)
School Contribution	\$ 11,988,038	12,588,038	600,000	5.00%
Reappropriation	491,273	-	(491,273)	-100.00%
Total	\$ 12,479,311	12,588,038	108,727	0.87%

* Please note that the School Contribution listed above for FY 2025 reflects the reduction of \$280,090 approved by City Council on December 9, 2024 to amend the FY2025 Adopted Budget as a result of the Poquoson City Public Schools receiving additional state revenue in the final FY2025 Approved State Budget.

General Fund City Expenditures by Category

	FY 2025	FY 2026	\$ Inc / (Dec)	% Inc / (Dec)
Personnel Services	\$ 15,101,423	15,846,225	744,802	4.93%
Operations/Transfers	6,879,758	7,155,969	276,211	4.01%
Debt Service	3,993,000	3,993,000	-	0.00%
Capital Outlay	453,335	421,917	(31,418)	-6.93%
Total	\$ 26,427,516	27,417,111	989,595	3.74%

City Operations/Transfers: The City's operational costs are \$6,601,646 and transfers are \$554,323, a total of \$7,155,969 in FY2026.

Debt Service: In FY2026, the City will transfer \$3,993,000 to the Debt Service Fund. The transfer is explained in the Debt Service Fund section.

Capital Outlay: The City's capital outlay for FY2026 is \$421,717, a \$31,418 decrease from FY2025. This category consists of smaller capital outlay in various departments, including library books, computers, equipment, tools, and fire hose.

Debt Service Fund

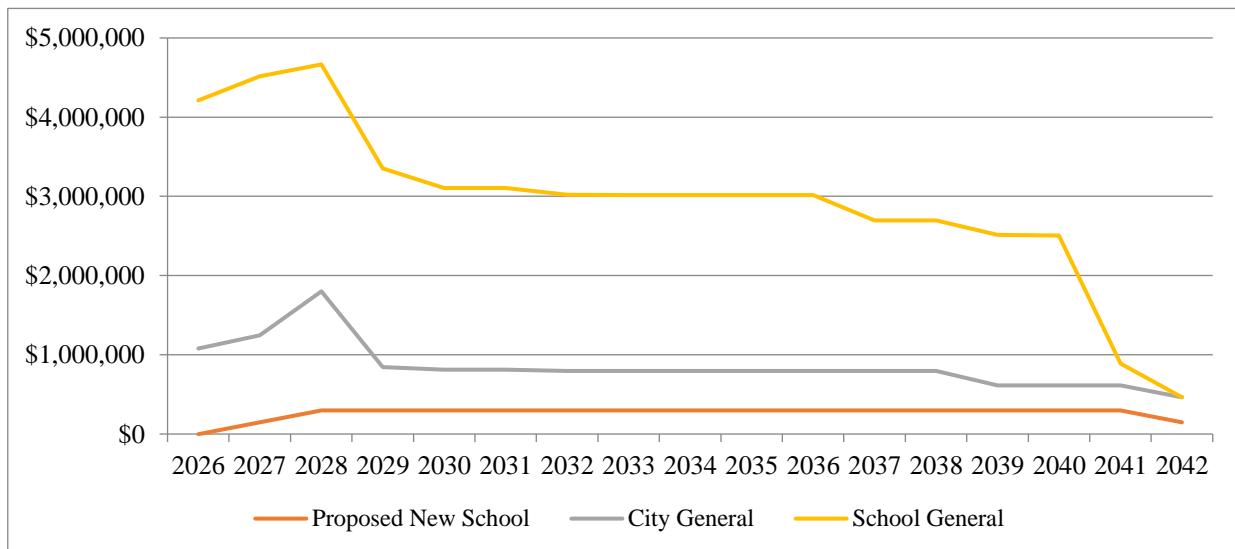
Debt Service Fund projected expenditures for FY2026 are \$4,364,349.

School Debt - Principal and Interest	\$ 3,128,562
City Debt - Principal and Interest	1,085,787
Costs of Debt Issuance	<u>150,000</u>
Total	<u>\$ 4,364,349</u>

The graphs on the following page depict the City's debt service over the years. The City's largest outstanding debt is School Obligation Bonds, which were used for school projects relating to construction and equipment purchases.

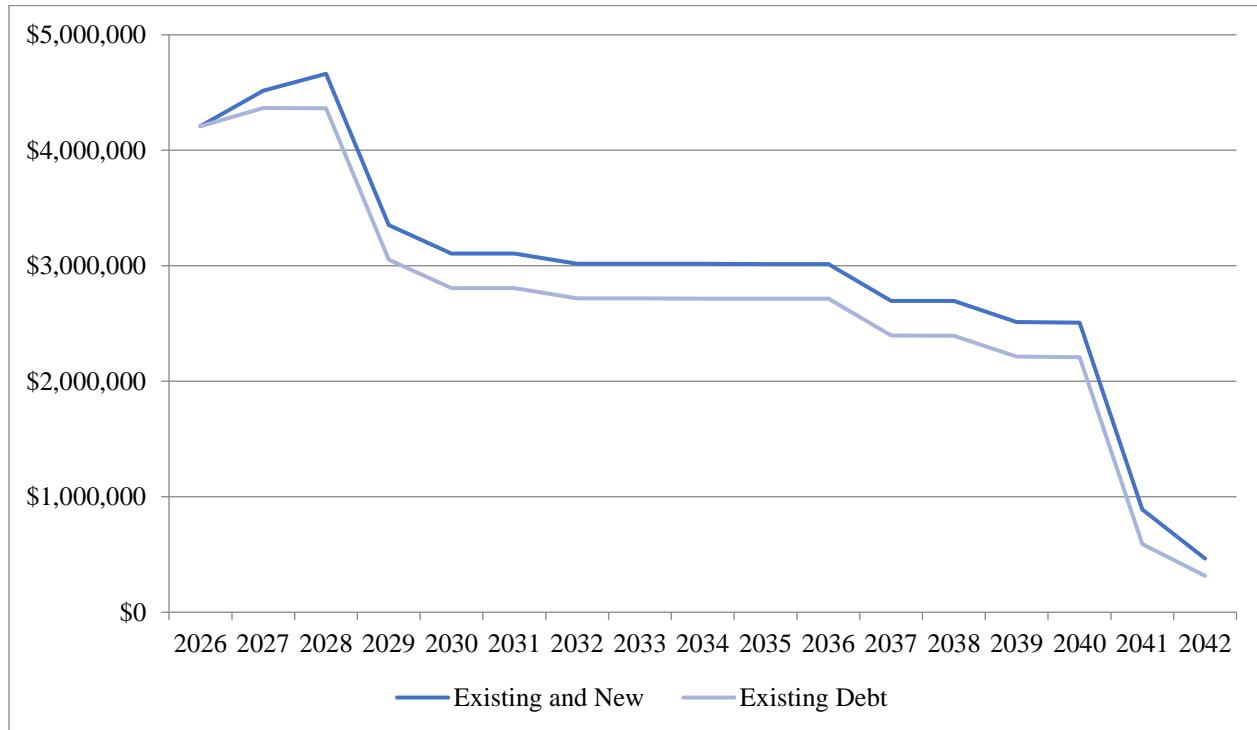
In FY2026, the City anticipates borrowing \$3 million to finance the Poquoson High School roof replacement, two fire chief vehicle replacements, and a public works dump truck replacement, and has included the projected debt service payments in the Debt Service Fund for this borrowing.

Debt Service by Type



The City has various debt instruments which have been used to pay for various School and City projects. This graph only depicts the current debt of the City. The graph will be updated once the anticipated borrowing has occurred.

Total Current and Projected Debt Service Fund



The above graph depicts the City's current debt service until the debt is paid. In addition to current, the graph provides the combined current and projected debt based on the anticipated borrowing.

Capital Projects Fund

The Capital Projects Fund accounts for financial resources used for the acquisition or construction of major city or school capital facilities, infrastructure, and equipment other than those financed by proprietary funds.

Capital Project revenues include \$900,000 in State Highway Funds for street and drainage improvements, a transfer of \$379,500 from the General Fund and \$2,895,144 in proceeds from debt financing. The FY2026 to Beyond FY2030 Constrained Capital Improvements Plan (CCIP) prepared by staff was presented to the Poquoson Planning Commission on September 16, 2024. The Planning Commission held a public hearing and approved the CCIP at their October 21, 2024. The City Council reviewed the Planning Commission's recommendation and approved the CCIP at the November 12, 2024 meeting.

Total FY2026 expenditures for the Capital Projects Fund are \$4,374,644. Unspent funds from FY2025 are allowed to be carried forward for two additional years. If the project is not completed in three years, City Council must reappropriate the unspent funds to complete the project. If there are any unspent funds when the project is completed, funds can revert to the General Fund.

Revenue:

Bond Proceeds	\$ 2,895,144
State Funds	900,000
Transfer from General Fund	379,500
Fund Balance - Bond Interest	<u>200,000</u>
Total Revenue	\$ <u>4,374,644</u>

Expenditures:

Poquoson High School Roof	\$ 2,600,000
Street Paving	900,000
Public Safety Vehicle Replacements	282,144
Financial System Upgrade	200,000
Public Works Dump Truck Replacement	173,000
Public Safety Replacement Equipment	104,500
Facility Condition Assessment	100,000
Professional Services	<u>15,000</u>
Total Expenditures	\$ <u>4,374,644</u>

Solid Waste Fund

The Solid Waste Fund is an enterprise fund which accounts for the collection, disposal, and recycling of household and municipal solid waste, residential hazardous materials, bulky items, and landscaping debris. The projected revenues for FY2026 are \$1,631,689.

Citizens are provided a standard recycling container and have the option to select a household trash container/cart size. The solid waste fee is billed bi-monthly along with the sewer service fee. Trash bags are available for those residents who exceed the capacity of their trash container/cart.

The City provides curbside pickup services for woody waste at a rate of \$60 per pickup and bulky waste item pickup at a rate of \$63. Each household gets one free bulk item or landscape curbside pickup each year. The fee is intended to cover a small portion of the cost incurred in picking up landscaping debris and bulky items, not to cover the cost of the programs. Residents may also take their landscaping debris to the Virginia Peninsulas Public Service Authority (VPPSA) regional composting facility located at the York County landfill at no charge. The City is estimated to pay VPPSA \$58,556 to operate the composting/disposal facility in FY2026.

The City continues to offer a program whereby residents of the City may drop off their bulky and landscaping debris at a temporary convenience site on two Saturdays a month. There is no additional charge for these services. The City offers a leaf pickup program. During the months of November and February, residents may put their leaves at the curbside to be picked up by the City, as long as the requirements for packing the leaves are met.

Revenue:

Solid Waste Fees	\$ 1,403,000
Bag Fees	15,000
Landscaping and Bulky Item Charges	4,000
Recycling Fees	1,000
Miscellaneous	500
Transfer from Retained Earnings	<u>208,189</u>
Total Revenue	<u>\$ 1,631,689</u>

Expenditures:

Personnel Services	\$ 149,029
Garbage Disposal	554,967
Recycling	474,014
Bulky Item / Landscaping	327,557
Hazardous Material	50,192
Other Costs	25,930
Transfer to General Fund	<u>50,000</u>
Total Expenditures	<u>\$ 1,631,689</u>

Fleet Management Fund

The Fleet Management Fund is used to account for financing the costs of vehicle parts, vehicle contracted services, gas and oil, and labor for all city and school vehicles and equipment. Costs are charged to City departments and the School Division for the services of the Fleet Management Fund. The budget is \$1,124,029 in FY2026, a \$116,140 increase from the FY2025 budget.

Revenue:

Parts and Contracted Services	\$ 285,700
Garage Labor and Overhead	501,372
Gas and Oil Revenues	<u>336,957</u>
Total Revenue	<u>\$ 1,124,029</u>

Expenditures:

Personnel Services	\$ 379,639
Fuel and Lubricants	336,957
Parts and Contractors	285,700
Other	40,181
Capital Outlay	<u>81,552</u>
Total Expenditures	<u>\$ 1,124,029</u>

Utilities Fund

The Utilities Fund is operated as an enterprise fund and provides for the maintenance of sewer lines and pump stations. The FY2026 budget is \$3,087,121, which is \$635,447 more than the FY2025 budget.

Each household that is available to sewer pays a fee whether connected to the system or not, unless a waiver is granted by City Council. The proposed sewer service fee is \$53 bi-monthly for FY2026. The sewer availability fee remains at \$6,000 for newly created lots. Commercial users also pay the \$53 bi-monthly fee plus a fee based on water consumption. The consumption fee also remains at \$1.75 hcf.

Approximately 22% of the expenditures in the Utilities Fund covers debt service on various improvements and extension of the sewer system. \$1,047,250 or 34% of the expenditures are for maintenance and capital needs. Personnel services account for 21% of expenditures and includes salaries and benefits for six full-time employees for FY2026.

Revenue:

Sewer Service Fees	\$ 1,891,550
Sewer Availability Fee	400,000
Other	45,000
Transfer from Retained Earnings	<u>750,571</u>
Total Revenue	<u>\$ 3,087,121</u>

Expenditures:

Personnel Services	\$ 637,297
Operating Expenses	414,903
Debt Service	687,671
Capital Outlay	1,047,250
Transfer to General Fund	<u>300,000</u>
Total Expenditures	<u>\$ 3,087,121</u>

Special Revenue Fund / Grants

The Special Revenue Fund/Grants accounts for revenues and expenditures related to State and Federal grants for community development and public safety.

In FY2023, the City appropriated a total of \$14,113,410 in Federal American Rescue Plan Act (ARPA) Funds for various projects. However, the City actually received \$15,114,864 and appropriated an additional \$486,074 on March 25, 2024 for the expansion of an approved sewer project. In the FY2025 budget, an additional \$515,380 was appropriated for sewer projects. At the end of FY2025, unspent funds for projects may be reappropriated in FY2026.

For FY2026, there are no additional appropriations. All funds were obligated by the December 2024 deadline, and must be fully spent by December 2026.

Special Revenue Fund / Other Post-Employment Benefits

The Special Revenue Fund/OPEB accounts for revenues and expenditures related to Other Post- Employment Benefits (OPEB), specifically, retiree health insurance.

In November 2016, City Council approved an enhanced change to OPEB effective July 1, 2017. Retirees who meet required conditions are able to continue health insurance coverage on the City- sponsored plan with the City subsidizing 50% of the cost of coverage until age 65, less the VRS Health Insurance Credit amount.

As part of the long-term plan for the benefit, the City joined in a Trust Fund with other Virginia localities to begin funding a portion of the projected liability.

Revenue:

Retiree Contributions	\$ 118,125
Transfer from General Fund	<u>153,823</u>
Total Revenue	\$ <u>271,948</u>

Expenditures:

Retiree Share of Benefits	\$ 118,125
City Share	138,823
Contribution to Trust	<u>15,000</u>
Total Expenditures	\$ <u>271,948</u>

Unbudgeted Needs

There are a number of items which have not been included in the budget due to budget constraints. Some of the more important items include:

Personnel: The Fire Department needs additional firefighters/paramedics based on National Fire Protection Association (NFPA) recommendations for staffing of firefighters/paramedics. It is the Fire Department's goal to meet NFPA 1710 and requested three additional EMT-T or EMT-P to be included in the budget that was not funded in this year's financial plan.

In the near future, the City will need to consider adding another Police Officer position to complete the initiative to increase officers assigned to each patrol shift by one. Three additional Police Officer positions were approved in FY2024.

There is also a need for additional Information Technology support for the City, but this has not been included in the budget due to fiscal constraints.

Operating Costs: This budget funds existing services and programs at prior year levels. An item that is requested but not included in this budget is funding for an additional replacement vehicle for the Police Department. Increased funding for replacement Information Technology equipment is also not funded. Smaller requests from other departments ranged from increased contracted services, and furniture and equipment replacements.

Capital: The majority of the capital outlay funds in this budget are for Street and Highway maintenance and other equipment. While this budget has addressed some minor replacements for small computer equipment, it still does not fund these capital outlays to the extent needed by the departments. In addition, capital replacement or maintenance needs to be addressed concerning the City facilities, as the oldest building is more than sixty years old. City Council's strategic initiatives include launching a planning process for the development of a new community and/or recreation center.

Consistent with the City's past practice, the adopted budget is structured around the City's five identified strategic focus areas.

Public Education:

The FY2026 Adopted Budget includes an additional \$600,000 in local funding, but does not fully fund the School Board's budget request of \$1,487,697. The School Board budget includes a 3% compensation increase, as well as a compensation study increase. The School Board Budget approved on March 18, 2025 totals \$32,621,087 and is 6.70% more than FY2025.

During the current fiscal year, the City has continued to make investments in capital projects for Poquoson City Public Schools. The City appropriated \$2.8 million for the HVAC replacement at Poquoson High School.

In the Capital Projects Fund, funding is provided for school replacement projects. In the FY2026 budget, there is \$2,600,000 in funding for the Poquoson High School roof replacement. This will be funded through issuance of debt.

Public Safety:

The FY2026 Adopted Budget for the Capital Projects Fund includes funding for replacement of two police vehicles, two fire chief vehicle replacements, as well as radios, MDT and Lifepak replacements. The Budget also includes full year funding for the Public Safety Pay and Step Plans, compression adjustments and step plan for increases eligible employees.

Quality of Life:

Although there are no new initiatives in the FY2026 Adopted Budget, there are quality-of-life projects that are in process. This spring, we will complete phase one of the Two Tree Park plan with the installation of the shelter. Additionally, we are in the process of completing right-of-way surveys for upper Poquoson Avenue and a portion of Little Florida Road to support the Council's strategic initiative to develop and implement a multi-year plan to expand sidewalks and improve pedestrian connectivity across the City.

Quality of Services:

Continuing to provide high quality services to our community is of utmost importance to City leaders. For FY2026, there is a focus on increasing employee compensation to help ensure that we can continue to recruit and retain quality staff members. Poquoson's pay ranges have historically been lower than most Hampton Roads communities. During the current fiscal year, City Council approved a new pay plan, compression adjustment and step plan for eligible public safety employees, as well as the initial implementation of an updated General Government pay plan. The FY2026 Adopted Budget includes funding for a 3% base compensation increase for all full-time permanent positions, as well as pay rate adjustments for part-time personnel.

Fiscal Stability:

The City's financial position remains strong. The City remains in compliance with all of its financial management policies, and due to the health of the General Fund, the City has been able to maintain its AAA bond rating with Standard and Poor's agency. The City's fiscal stability reserve remains fully funded at \$1.2 million.

The budget process allows for multiple parties to discuss the needs of the City, issues, and short- term factors that should be acknowledged when developing the budget. For Fiscal Year 2026, the budget still has some uncertainty about the future economic situation, with the potential of a recession on the horizon.

For Fiscal Year 2026, the adopted budget reflects the following factors:

- The Poquoson City Public Schools' allocation in this budget totals \$12,588,038, which is an increase of \$600,000 over the FY2025 Amended Budget. However, this does not fully fund the School's request of \$1,487,697 for FY2026.
- Capital Project funding is included for four public safety replacement vehicles, high school roof replacement, and public works dump truck replacement.
- A base compensation increase of 3% for all eligible full and part-time employees.
- A public safety step pay plan was implemented in November 2024, and a 2% step increase is also included for eligible public safety employees.
- In January 2025, there was an initial implementation of an updated pay plan for General Government employees to help ensure that we can continue to recruit and retain quality staff members.
- Increase of 12% in health insurance premiums.
- The Virginia Retirement System (VRS) employer contribution rates are determined biennially by their Board of Trustees through actuarial valuations. FY2026 was the second year of the biennial rates, so there was no change in this rate.

Balanced Budget: All Funds are subject to the annual budget process. All budgets will be formulated and adopted on the basis of accounting consistent with generally accepted accounting principles.

Unassigned Fund Balance: The General Fund will maintain a minimum of 12% - 15% of total operating expenditures as its unassigned fund balance.

Fiscal Stability Reserve: City Council adopted a policy to maintain \$1 million in the fiscal stability reserve. As of Fiscal Year 2021, the City made the final allocation of \$178,000 to satisfy the policy. The \$1 million reserve remains intact and is reflected as committed fund balance of the General Fund. In December 2023, City Council approved a \$100,000 transfer and again in December 2024, City Council approved an additional \$100,000 transfer to increase this reserve to \$1.2 million using unrestricted fund balance. The unobligated portion of the fund balance provides sufficient working capital for the City and serves as a "rainy day" fund for emergencies or unforeseen circumstances such as a pandemic.

Debt Policy: To maintain the City's ability to incur present and future debt at the lowest interest rates. The City achieves this by maintaining the bond agencies ratings. For S&P, the City received a rating of AAA on the City's outstanding general obligation bonds. This is the highest bond rating available through S&P. Moody's affirmed the City's existing Aa2 credit rating and assigned an enhanced Aa1 rating to 2018 general obligation bonds based on the City's strong underlying fundamentals plus the Virginia state aid intercept program.

Stable Tax Rates: The FY2026 Adopted Budget is balanced with no change in the real estate tax rate.

The City operates under the Council-Manager form of government. The City Manager is responsible for the hiring of all City personnel. In the City of Poquoson, the City Manager hires all Department Heads and gives the Department Heads the authority to hire their staff. All new positions must be appropriated in the budget approved by City Council.

For Fiscal Year 2025, a total of 158.85 Full-Time Equivalent (FTE) positions are authorized, which increased the FTE positions by one over Fiscal Year 2024 due to the addition of a full-time Utilities position. As we near the close of Fiscal Year 2025, the City currently has vacancies in Fire, Police and Public Works. In addition, the City had two employees retire during Fiscal Year 2025.

In the Fiscal Year 2026 Adopted Budget, the 0.50 FTE is eliminated in the Special Revenue Fund/Grants due to the completion of the Public Safety Building. Therefore, the total FTE positions authorized in Fiscal Year 2026 is reduced to 158.35.

Additional position requests from the Fire and Police Departments and for additional Information Technology support have not been budgeted due to fiscal constraints.

A listing of authorized positions by department can be found in the Supplementary Information section of this document, which begins on page 187.

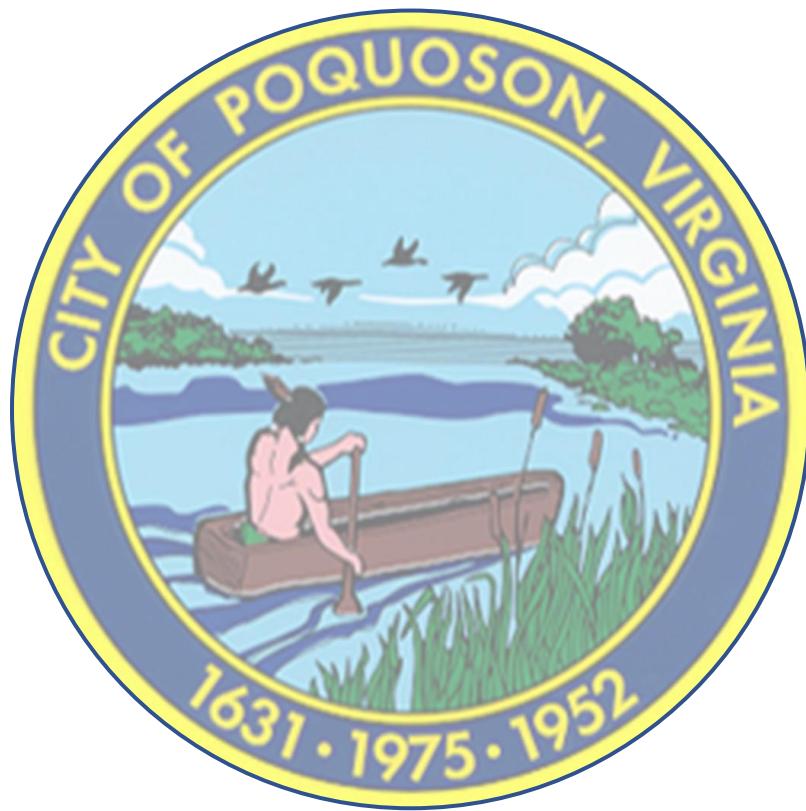
Personnel Positions

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
General Fund Departments:					
City Council	0.40	0.40	0.40	0.40	0.40
City Manager	3.80	3.80	4.80	4.80	4.80
Commissioner of the Revenue	4.00	4.00	4.00	4.00	4.00
Assessor	2.00	2.00	2.00	2.00	2.00
Treasurer	4.00	4.00	4.00	4.00	4.00
Finance	4.00	4.00	4.00	4.00	4.00
Registrar	2.10	2.10	2.10	2.10	2.10
Police	32.00	34.50	34.50	35.50	34.50
Fire	33.00	36.00	36.00	39.00	36.00
Inspections	3.75	3.00	3.00	3.00	3.00
Engineering	2.00	2.00	2.00	2.00	2.00
Public Works	17.50	17.50	17.50	17.50	17.50
Facilities	1.00	1.00	1.75	1.75	1.75
Mosquito Control	3.75	3.75	3.75	3.75	3.75
Parks and Rec - Programs	3.80	3.80	4.80	4.80	4.80
Parks and Rec - Pool	5.00	5.00	5.00	5.00	5.00
Special Events	1.00	1.00	-	-	-
Library	12.45	12.25	12.25	12.25	12.25
Planning	4.00	4.00	4.00	4.00	4.00
Economic Development	1.00	1.00	-	-	-
DMV Select	2.00	2.00	2.00	2.00	2.00
Total General Fund	142.55	147.10	147.85	151.85	147.85
Other Funds:					
Special Revenue / Grants	-	0.50	0.50	-	-
Solid Waste	1.00	1.00	1.00	1.00	1.00
Utilities (Sewer Fund)	5.00	5.00	6.00	6.00	6.00
Fleet Management	3.50	3.50	3.50	3.50	3.50
Total Other Funds	9.50	10.00	11.00	10.50	10.50
Total Personnel Positions	152.05	157.10	158.85	162.35	158.35

**Adjustments to FY2026 Recommended Budget
for FY2026 Adopted Budget**

General Fund	
Revenues	Expenditures
Beginning Balance	\$ 40,024,949
State Revenue:	
Emergency Management Grant	(19,800)
	\$ <u>40,005,149</u>
Beginning Balance	\$ 40,024,949
Public Safety:	
Fire Department - Other Charges	(19,800)
	\$ <u>40,005,149</u>

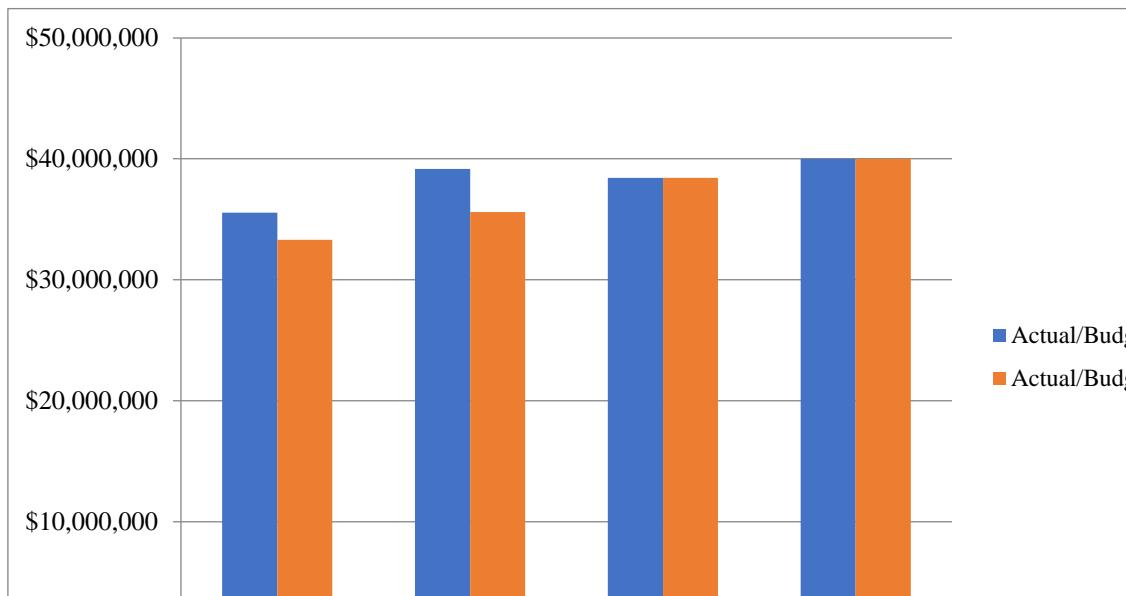
GENERAL FUND



General Fund Summary

The General Fund is the City's main operating fund and is used to account for all financial resources traditionally associated with government except those required to be accounted for in another fund (i.e., enterprise funds and special revenue funds).

The City of Poquoson is projecting \$40,005,149 of revenue in FY2026, which represents a 4.14% increase over the prior year.



The FY2026 Adopted Budget for the General Fund includes no change to the real estate tax rate. The focus is and always will be to continue to provide the existing services and programs at the same level as the prior year. As the City Manager indicated in his executive summary, the budget focused on strategic areas.

Public Education: The Poquoson City Public School Board's budget requested a \$1,487,697 increase for FY2026 to provide a 3% compensation increase, and compensation study pay adjustments. The FY2026 Adopted Budget does not fully funds the School Board's budget request due to fiscal constraints of the City without an increase in the tax rate. As in past years, the Schools had unexpended transfers at the end of the year which were returned to the City and subsequently reappropriated to the Schools.

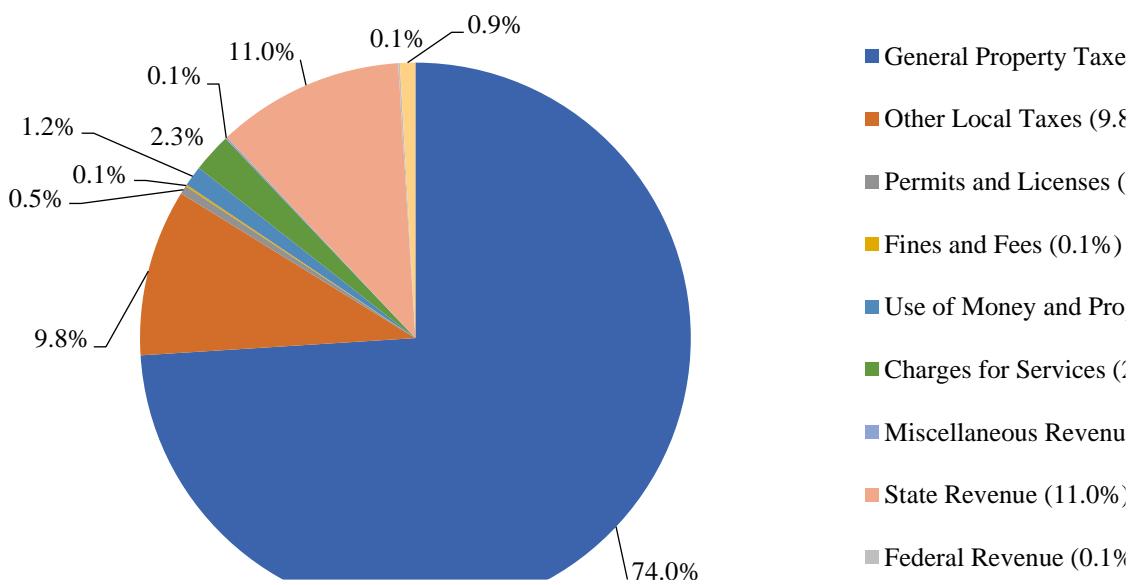
Quality of Services: In January 2025, there was an initial implementation of an updated pay plan for General Government employees to help ensure that we can continue to recruit and retain quality staff members. The budget includes a general compensation increase of 3% for all full-time permanent positions, as well as a pay rate adjustment for part-time personnel. Employee compensation is a focus in this budget in an effort to help ensure that we can continue to recruit and retain quality staff members.

Public Safety: In Fall 2024, City Council approved a Public Safety Pay and Step Plan, and the FY2026 Adopted Budget includes full year funding for this pay plan, compression adjustments and a 2% step plan increase for eligible public safety employees. This adopted increase supports the Council's strategic initiative to enhance public employee compensation through targeted efforts in the annual budget process.

General Fund Revenues by Source

		FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
General Property Taxes	\$	24,596,839	26,684,000	28,124,895	29,627,002	1,502,107	5.34%
Other Local Taxes		3,731,837	4,093,477	3,865,000	3,942,000	77,000	1.99%
Permits and Licenses		305,177	330,051	246,500	206,500	(40,000)	-16.23%
Fines and Fees		47,593	49,936	40,000	31,000	(9,000)	-22.50%
Use of Money and Property		1,134,034	1,872,351	482,000	489,400	7,400	1.54%
Charges for Services		915,932	906,507	919,720	938,200	18,480	2.01%
Miscellaneous Revenue		117,719	156,989	19,949	18,569	(1,380)	-6.92%
State Revenue		4,367,942	4,542,809	4,359,990	4,394,478	34,488	0.79%
Federal Revenue		22,310	176,894	7,500	8,000	500	6.67%
General Fund Transfers		300,000	350,000	350,000	350,000	-	0.00%
Total Revenue	\$	35,539,383	39,163,014	38,415,554	40,005,149	1,589,595	4.14%

Projected FY 2026 General Fund Revenues by Source



General Property taxes account for 88% of locally generated revenues. Included in this category are levies made on real estate and personal property of City residents and businesses.

General Property Taxes						
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Current Real Estate Tax	\$ 19,402,014	21,684,770	23,279,893	24,780,000	1,500,107	6.44%
Delinquent Real Estate Tax	206,364	120,368	100,000	100,000	-	0.00%
Public Service Corp. Tax	269,567	217,536	260,000	260,000	-	0.00%
Current Personal Property Tax	4,279,442	4,395,882	4,300,002	4,300,002	-	0.00%
Delinquent Personel Property Tax	244,125	69,433	40,000	40,000	-	0.00%
Penalties All Property	126,741	126,554	100,000	100,000	-	0.00%
Interest All Property	51,823	52,427	38,000	38,000	-	0.00%
Administrative Fees	16,763	17,030	7,000	9,000	2,000	28.57%
Total	\$ 24,596,839	26,684,000	28,124,895	29,627,002	1,502,107	5.34%

Real Estate Tax:

FY2026 is a reassessment year for real estate taxes, and a 7.6% increase is projected. There is also significant growth projected for FY2026 as there are currently two residential developments that will still be under construction during FY2026. The proposed real estate tax rate of \$1.14, which remains flat from FY2025. The City collects real estate taxes two times per fiscal year; on December 5th and June 5th. The real estate property tax on residential, commercial land and buildings in the City is adopted at a rate of \$1.14 per \$100 of assessed value. Each cent of tax brings approximately \$232,236 of revenue to the City. The tax rate is applied to the assessed value of individual property, as determined by the Real Estate Assessor during the assessment. The Commonwealth of Virginia requires localities to assess real property at 100% of fair market value. The tax rate and values are effective July 1, 2025.

Residential growth projections in FY2026 are based on new houses and other residential improvements and commercial improvements, estimated in value at \$44,850,000, to be built throughout the year. This also includes those new houses and other residential improvements that should be completed by the end of FY2025.

FY2025 Real Estate Tax Budget	\$ 23,279,893
Projected Residential Growth on Assessments of New Homes and Other Improvements	1,447,408
Increases in Real Estate Assessments	1,852,699
Less Estimated Tax Relief and Deferral:	
Tax Relief and Deferral for the Elderly (Local Program)	(204,032)
Tax Relief for Disabled Veterans (State Mandated Program-Unfunded to the City)	(1,595,968)
FY2026 Real Estate Tax Budget	\$ 24,780,000

In FY2025, the Commissioner of the Revenue's Office approved 42 homes that were eligible for the tax relief for disabled veterans. It is estimated that the Commissioner of the Revenue will receive and approve 40 applications during FY2026. The value of real estate is \$232,236 per cent. The tax relief program for FY2026 costs approximately 7.8 cents or \$1.8 million of the assessed value of real estate.

Real estate taxes are due on December 5th and June 5th. Past due balances paid by the end of the month; taxes that are due are assessed a 2% penalty. A penalty of \$10 or 10%, whichever is greater, is assessed on past due balances on the first day of the month following the month in which the tax is due. In addition, interest of 10% per annum is assessed on unpaid balances beginning in the month in which the tax was due.

Public Service Corporation:

The State Corporation Commission assesses a tax on the value of the real estate and personal property of all public service corporations, such as, Dominion Virginia Power, Virginia Natural Gas, Verizon and Cox Communications. The Commissioner of the Revenue certifies the levy as submitted by the State Corporation Commission.

Public service corporations are taxed at the same rate as real estate. The State Corporation Commission assesses public service corporations and the City estimates assessments will be \$22,807,018 in FY2026, which results in an anticipated revenue of \$260,000.

Personal Property Tax:

FY2026 remains flat, which is primarily due to vehicle valuations continuing to decrease to pre-covid values. The City collects personal property taxes two times per fiscal year; on December 5th and June 5th.

The City imposes a tax on tangible personal property of businesses and individuals, including motor vehicles, business equipment, boats, recreational vehicles (RVs), and trailers.

The City uses the J.D. Powers (formerly NADA) loan value to determine the assessment of automobiles and recreational vehicles. In the FY2025 and FY2026 budgets, the tax rate for automobiles is based on a \$4.15 tax rate per \$100 of assessed value; for recreational vehicles, a \$1.50 tax rate per \$100 of assessed value and \$0.00001 for boats. Mobile homes are assessed as personal property on a calendar year basis, and taxed at the proposed real estate rate of \$1.14 per \$100 of assessed value.

The FY2026 combined personal property tax revenue is \$6,223,437, which remains flat from the FY2025 budget. This is primarily due to a decrease in the vehicle values and an increase in tax exemptions. The personal property values are returning to traditional levels faster than previously anticipated. Personal property taxes are due on December 5th and June 5th. A penalty of \$10 or 10%, whichever is greater, is assessed on past due balances. Interest at the rate of 10% per annum accrues on all delinquent taxes on the first day following the due date on which such taxes become delinquent.

The Personal Property Tax Relief Act of 1998 (PPTRA) established a statewide program by which the Commonwealth of Virginia was to provide relief for owners of personal use motor vehicles from personal property taxation. Due to soaring costs associated with PPTRA, the 2004 and 2005 General Assemblies made significant changes to PPTRA. The changes include converting the program from an entitlement program to a block grant formula that caps statewide relief to local governments at \$950 million annually, which became effective in FY2008. The cap for Poquoson as identified by the State Auditor of Public Accounts for Personal Property Tax Relief is \$1,923,435.

In 2006, the City adopted the “specific relief” method of computing and reflecting tax relief. The “specific relief” method allows a set single tax rate and applies tax relief at a specific percentage to each qualifying vehicle. One hundred percent of the personal property tax will continue to qualify for tax relief for qualifying personal use vehicles used for non-business purposes with a value of one thousand dollars (\$1,000) or less. Tax relief percentage will be at 44% for calendar year 2025.

Since not all personal property is affected by PPTRA, the City has estimated that citizens and businesses will pay 70% of personal property tax in FY2026. The break out between local taxes and state aid is as follows for FY2025 Personal Property tax revenue.

Local Taxes	\$ 4,300,002
State Aid	1,923,435
Total	<u>\$ 6,223,437</u>

Other Local Taxes

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Local Sales and Use Tax	\$ 1,112,819	1,176,706	1,200,000	1,220,000	20,000	1.67%
Communications Sales and Use Tax	286,658	271,573	290,000	290,000	-	0.00%
Consumer Utility Tax	316,152	323,472	312,000	312,000	-	0.00%
Lodging Tax - Short Term Rental	-	-	-	2,000	2,000	100.00%
Consumption Tax	38,727	39,054	40,000	40,000	-	0.00%
Business License Tax	599,477	756,511	550,000	575,000	25,000	4.55%
Cable Franchise Fee	1,796	886	-	-	-	0.00%
Bank Franchise Tax	16,053	19,506	18,000	18,000	-	0.00%
Recordation Taxes	194,458	247,694	290,000	250,000	(40,000)	-13.79%
Deed of Conveyance	49,657	81,466	75,000	75,000	-	0.00%
Meals Tax	1,038,194	1,107,374	1,025,000	1,095,000	70,000	6.83%
Cigarette Tax	77,846	69,235	65,000	65,000	-	0.00%
Total	\$ 3,731,837	4,093,477	3,865,000	3,942,000	77,000	1.99%

Local Sales and Use Tax:

The general sales tax rate of the State of Virginia is 5.3% and an additional 0.7% imposed in localities that make up the Northern Virginia and Hampton Roads areas. Poquoson is one of the Hampton Roads localities. The State returns to the City 1% of the sales tax collected within the City of Poquoson. For FY2026, \$1,220,000 is expected for Local Sales Tax revenue, which is a \$20,000 increase from FY2025.

Meals Tax:

The meals tax rate for FY2026 is 6%. This tax has been imposed on all prepared food and beverages sold in the City since FY2002. In FY2026, meals tax revenue is projected at \$1,095,000, which is an increase of \$70,000 over the FY2025 budget.

Communications Sales and Use Tax:

The 2006 Virginia General Assembly completed a major restructuring of telecommunication taxes. Effective January 1, 2007, a statewide Communications Sales and Use Tax applies to retail communication and video services. The tax rate is 5% on local exchange telephone service, paging, inter-exchange (interstate and intrastate), cable and satellite television, wireless and Voice over Internet Protocol (VoIP).

This tax replaces the local consumer utility tax the City collected from both residential and commercial customers of telephone companies. The local E-911 tax was replaced with a \$0.75 “E-911 tax” applied to each local landline

and a \$0.75 “State E-911 fee” applied to each wireless number. The Cable Franchise Fee was replaced by the Communications Sales Tax. The tax is collected by the companies and paid to the State, which administers distribution of the tax revenue. The redistribution of taxes is intended to be revenue neutral for the City. In FY2026, it is projected to remain flat at \$290,000.

Consumer Utility Tax:

The City collects a tax based upon consumption from residential and commercial users of the service provided by Dominion Virginia Power and Virginia Natural Gas. The monthly charge for residential and commercial users should not exceed \$3 and \$10, respectively.

Lodging Tax – Short Term Rentals:

The City collects a lodging tax on short-term rentals of 8% per day rate plus \$2 per room and per night. Based on Virginia State Code § 15.2-983, short-term rental “means the provision of a room or space that is suitable or intended for occupancy for dwelling, sleeping, or lodging purposes, for a period of fewer than 30 consecutive days, in exchange for a charge for the occupancy.”

Consumption Tax:

This is a tax instituted by the State to replace the business license tax that electric and gas utilities are no longer required to pay. It is estimated that the City will receive \$40,000 for FY2026, which remains the same as FY2025.

Business License Tax:

Business License Tax is projected to increase by \$25,000 to \$575,000 for FY2026. Poquoson requires that all persons doing business in Poquoson obtain a business license prior to beginning business. Licenses are based on estimated gross receipts from the business beginning date through December 31 of that year. Until you have been in business for a full calendar year, you continue to estimate your gross receipts for the business license renewal. Once in business for a full calendar year, the business license renewal is based on the prior year's gross receipts. [The Code of Virginia (<http://law.lis.virginia.gov/vacode>) (Title 58.1- 3700.1) defines gross receipts to mean "the whole, entire, total receipts without deduction."] Business licenses are assessed on a calendar year, January 1 through December 31 and are renewed annually by March 1. The cost of a business license is determined by the following factors:

1. The gross receipts (gross purchases for wholesale merchants), and
2. The rate applied for the business industrial category.

Businesses are assessed at the following rates:

- Professional Services - \$0.58/\$100 of gross receipts (Virginia State Code § 2.2-4301 states “Professional Services” means work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy or professional engineering.)
- Services - \$0.36/\$100 of gross receipts
- Retail Merchants - \$0.20/\$100 of gross receipts
- Contractors - \$0.16/\$100 of gross receipts (Virginia State Code 58.1-3715 states that contractors based outside of Poquoson require a Poquoson business license only if calendar year gross receipts exceed \$25,000)
- Wholesale Merchant - \$0.05/\$100 of gross purchases

Cigarette Tax:

This tax is based on a rate of 20 cents per pack. This tax went into effect October 1, 2001. The amount budgeted for FY2026 is expected to remain level at \$65,000.

Bank Franchise Tax:

The Bank Franchise Tax is a fee that is imposed on the net capital of local banks based on returns filed with the Commissioner of the Revenue. The amount budgeted for Bank Franchise Tax is based on prior years' experience and anticipated economic trends.

Recordation Tax:

Recordation Tax represents fees paid to record any document with the Circuit Court by Poquoson residents selling or refinancing properties. The Recordation Tax reflects the Virginia State House Bill 1726 which no longer provides state funds to localities effective July 1, 2020.

Deed of Conveyance:

The Deed of Conveyance is a fee that is charged by the Clerk of the York/Poquoson Circuit Court for recording land transfers.

Permits and Licenses						
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Dog Licenses	\$ 1,175	906	1,000	1,000	-	0.00%
Farm Animal Permit	240	150	-	-	-	0.00%
Site Plan Inspection Fee	45,016	1,086	15,000	15,000	-	0.00%
Site Plan Review Fee	-	1,776	-	-	-	0.00%
Transfer Fees	378	503	-	-	-	0.00%
Zoning Advertising	4,624	3,640	2,000	2,000	-	0.00%
Subdivision Plan Review Fee	3,457	6,829	10,000	10,000	-	0.00%
Building Permits	86,321	104,353	140,000	100,000	(40,000)	-28.57%
Electrical Permits	18,903	34,779	20,000	20,000	-	0.00%
Plumbing Permits	18,004	54,140	17,000	17,000	-	0.00%
Mechanical Permits	37,531	56,772	21,000	21,000	-	0.00%
Wetlands Application	1,022	1,040	-	-	-	0.00%
Erosion and Sediment	6,543	55,633	15,000	15,000	-	0.00%
Solicitor Permits	-	260	-	-	-	0.00%
Sign Permit	205	625	500	500	-	0.00%
Right of Way Permit	2,905	4,405	4,000	4,000	-	0.00%
Home Business Use Permit	-	25	-	-	-	0.00%
Drainage Pipe Permit	6,770	2,835	1,000	1,000	-	0.00%
Subdivision Street Light	72,043	27	-	-	-	0.00%
Boundary Line Adjustment	-	107	-	-	-	0.00%
Golf Cart Fees	40	160	-	-	-	0.00%
Total	\$ 305,177	330,051	246,500	206,500	(40,000)	-16.23%

Permits and Licenses:

Permits and Licenses are projected to decrease by \$40,000 from FY2025 based on fewer building permits expected.

Fines and Fees

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Court Fines and Fees	\$ 27,352	49,738	40,000	31,000	(9,000)	-22.50%
Parking Fines	425	100	-	-	-	0.00%
Clerk of Court Special Assessment	36	83	-	-	-	0.00%
Court Appointed Attorney	360	15	-	-	-	0.00%
Total	\$ 28,173	49,936	40,000	31,000	(9,000)	-22.50%

Fines and Fees:

Fines and Fees is revenue from the imposition of fines on persons charged with violations of City ordinances. A decrease is reflected in FY2026 based on trends.

Use of Money and Property

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Interest on Deposits	\$ 906,028	1,654,632	272,500	272,500	-	0.00%
Rental of Property	26,300	26,300	26,300	26,300	-	0.00%
Tower Rental	194,366	183,717	176,000	184,000	8,000	4.55%
Messick Point Pier Rental	3,140	2,687	3,000	2,400	(600)	-20.00%
Community Center Rental	4,200	5,015	4,200	4,200	-	0.00%
Total	\$ 1,134,034	1,872,351	482,000	489,400	7,400	1.54%

Interest on Deposits:

The City expects to receive \$272,500 for interest earned on cash investment in banks.

Rental Revenue:

This is revenue from the leasing of cellular tower, piers and building space and is based on agreements with the outside parties.

Charges for Services						
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Library Fees	\$ 11,712	3,865	-	-	-	0.00%
Copying Charges	4,246	4,912	4,000	4,500	500	12.50%
Passport Processing Fees	66,163	77,802	75,000	85,000	10,000	13.33%
Test Proctoring Fees - Library	200	100	100	100	-	0.00%
EMS Fees	414,363	406,979	425,000	425,000	-	0.00%
Facility User Fees	19,830	15,205	17,000	15,000	(2,000)	-11.76%
Youth Athletics	54,463	59,174	53,000	58,000	5,000	9.43%
Adult Athletics	5,910	7,070	3,500	8,600	5,100	145.71%
Instructional Class	69,094	74,870	55,000	60,000	5,000	9.09%
Adult Recreation Program	-	440	-	500	500	100.00%
Gate Admission	23,326	27,106	25,000	25,000	-	0.00%
Concession Stand	(112)	787	1,500	1,500	-	0.00%
Pool Rental	210	210	1,200	1,200	-	0.00%
Swimming Lessons	23,455	24,418	27,000	24,000	(3,000)	-11.11%
Swim Team	22,890	24,975	20,220	22,000	1,780	8.80%
Other Pool Activity	915	(55)	1,500	800	(700)	-46.67%
Pool Passes	16,185	22,169	20,000	20,000	-	0.00%
Seafood Festival Vendor Fees	54,892	53,293	54,000	61,000	7,000	12.96%
Seafood Festival Parking	69,798	50,358	50,000	61,000	11,000	22.00%
Holiday Parade	2,500	-	1,500	1,500	-	0.00%
Seafood Festival Activities	2,288	25,029	24,000	27,000	3,000	12.50%
Seafood Festival Sponsors	39,804	27,800	42,000	25,000	(17,000)	-40.48%
Workboat Race Activities	2,200	-	2,200	1,000	(1,200)	-54.55%
Workboat Race Sponsors	11,600	-	17,000	10,500	(6,500)	-38.24%
Total	\$ 915,932	906,507	919,720	938,200	18,480	2.01%

Passport Processing Fees:

The City anticipates collecting \$85,000 in passport processing fees for FY2026. As more people wish to travel, there is a need for passports as identification, citizens must obtain this document. During FY2024, a new service was added to provide passport photographs.

Parks and Recreation Revenue for Parks Programs:

It is anticipated in FY2026 that citizens will continue to participate in more Parks and Recreation programs. There has been some increase in the participation numbers for various locations and facilities.

Parks and Recreation Pool:

Revenue for the pool is expected to decrease to \$94,500; down from \$96,420 for all different activities relating to the pool.

Parks and Recreation Festival and Workboat Race:

The Poquoson Seafood Festival is expected to produce revenue of \$174,000 for parking, vendor fees and festival sponsors. The festival is expected to be held in October 2025. The Workboat Race revenue is anticipated to be \$11,500 for FY2026.

Miscellaneous Revenue						
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Donations - Library	\$ 11,489	12,021	10,000	10,000	-	0.00%
Donations - Fire	1,653	6,200	-	-	-	0.00%
Donations - Police	725	300	-	-	-	0.00%
Donations - Other	450	447	-	-	-	0.00%
Insurance Recoveries	-	40,745	-	-	-	0.00%
VRSA Grant	1,500	-	-	-	-	0.00%
Opioid Abatement Funds	55,444	59,049	9,949	8,569	(1,380)	-13.87%
Miscellaneous Revenue	46,458	38,227	-	-	-	0.00%
Total	\$ 117,719	156,989	19,949	18,569	(1,380)	-6.92%

Miscellaneous Revenue:

This budget provides for revenues that are not recorded in other sources. For FY2026, an initial budget of \$10,000 is anticipated for Library Donations. \$8,569 is projected for Opioid Abatement Funds revenue based on the anticipated direct distributions from the Opioid Abatement Authority.

In many cases, the City does not initially appropriate funds for miscellaneous revenue. Instead, during the fiscal year, budget supplements are presented to City Council. When City Council approves the award for such things as miscellaneous grants, donations, sales of equipment, which would then require the budget supplement to be entered into the applicable funding category.

State Revenue						
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
P2P and/or Gaming Fee	\$ 967	1,612	-	-	-	0.00%
Rolling Stock Tax	14	-	-	-	-	0.00%
Mobile Home Titling	22,544	29,805	20,000	20,000	-	0.00%
PPTRA	1,923,431	1,923,431	1,923,435	1,923,435	-	0.00%
DMV Reimbursement	137,429	123,107	139,000	139,000	-	0.00%
Shared Salary - Commissioner	134,521	144,942	143,337	156,981	13,644	9.52%
Shared Fringes - Commissioner	12,368	13,326	13,845	15,173	1,328	9.59%
Shared Salary - Treasurer	120,568	129,689	128,122	138,968	10,846	8.47%
Shared Fringes - Treasurer	10,368	14,548	12,189	13,980	1,791	14.69%
Shared - Registrar	66,030	81,007	75,135	75,135	-	0.00%
Children's Service Act	242,862	371,846	252,000	252,000	-	0.00%
State Drug Seizure	1,107	648	-	-	-	0.00%
Emergency Management Grant	51,457	20,500	20,500	700	(19,800)	-96.59%
EMS Grant (Four for Life)	61,946	12,757	-	-	-	0.00%
Fire Program Fund	49,991	56,101	50,000	50,000	-	0.00%
Litter Control Grant	9,570	12,513	12,513	11,033	(1,480)	-11.83%
Library Aid	181,715	222,335	216,914	233,421	16,507	7.61%
Fire Grant - Training/Hardware	700	-	-	-	-	0.00%
Virginia Tourism Corp. Grant	8,543	19,789	-	-	-	0.00%
Dept. of Environmental Quality	10,026	14,596	-	-	-	0.00%
State 599 Funds (Police)	285,151	299,917	299,000	310,652	11,652	3.90%
School Resource Officer Grant	66,919	59,804	54,000	54,000	-	0.00%
VMRC Local Fee Revenue	1,385	1,501	-	-	-	0.00%
Miscellaneous State Grants	18,330	39,035	-	-	-	0.00%
Street and Highway Maintenance	950,000	950,000	1,000,000	1,000,000	-	0.00%
Total	\$ 4,367,942	4,542,809	4,359,990	4,394,478	34,488	0.79%

Personal Property Tax Relief Act (PPTRA): In FY2026, the City expects to receive \$1,923,435 for PPTRA. This is the State's share of the "No Car Tax" initiative to provide relief to taxpayers. The amount reflects the permanent cap on the State's share that began in 2006.

Street and Highway Maintenance Funds: Each year, the City allocates a portion of the funding it receives from the Virginia Department of Transportation (VDOT) to the City for the annual paving and drainage programs. For FY2026, the City is projected to receive a total of \$1.9 million from the State Highway Maintenance Fund, and \$1,000,000 is recorded in the General Fund and the remaining \$900,000 is recorded in the Capital Projects Fund. The exact amount of revenue for FY2026 will not be available until August 2025.

State Non-Categorical Revenue: In FY2026, it is anticipated that the City will receive \$139,000 as DMV reimbursement for the revenue that is collected at the City's DMV Select Office.

State Categorical Revenue: In FY2026, the City anticipates receiving \$400,237 to assist with the salaries and benefits of the Commissioner of the Revenue, Treasurer and Registrar's Offices. This is an increase of \$27,609.

Library Aid: The City anticipates receiving \$233,421 in FY2026 for Library Aid. This State funding is provided on a per capita basis and will be used for library books and materials, online database subscriptions and replacement furniture in the public area of the library.

State 599 Funds Police: The State funding allotment for police services in FY2026 is budgeted at \$310,652.

Federal Revenue

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Plum Tree Island Refuge	\$ 2,605	2,430	-	-	-	0.00%
DUI Grants - Selective Enforce	6,022	6,367	-	-	-	0.00%
Byrne Justice Assistance Grant	5,278	2,619	-	-	-	0.00%
LEMPG Grant (Fire)	7,500	746	7,500	7,500	-	0.00%
FEMA Assistance to Firefighters	-	159,251	-	-	-	0.00%
Bulletproof Vest Grant	-	1,541	-	-	-	0.00%
Federal E-Rate Telephone	905	3,940	-	500	500	100.00%
Total	\$ 22,310	176,894	7,500	8,000	500	6.67%

For FY2026, the City expects to receive approximately \$7,500 for a Local Emergency Management Performance Grant (LEMPG) in the Fire Department.

As additional Federal grant opportunities become available for the City, staff will bring them before City Council for review and approval.

Transfers In

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Transfers In	\$ 300,000	350,000	350,000	350,000	-	0.00%

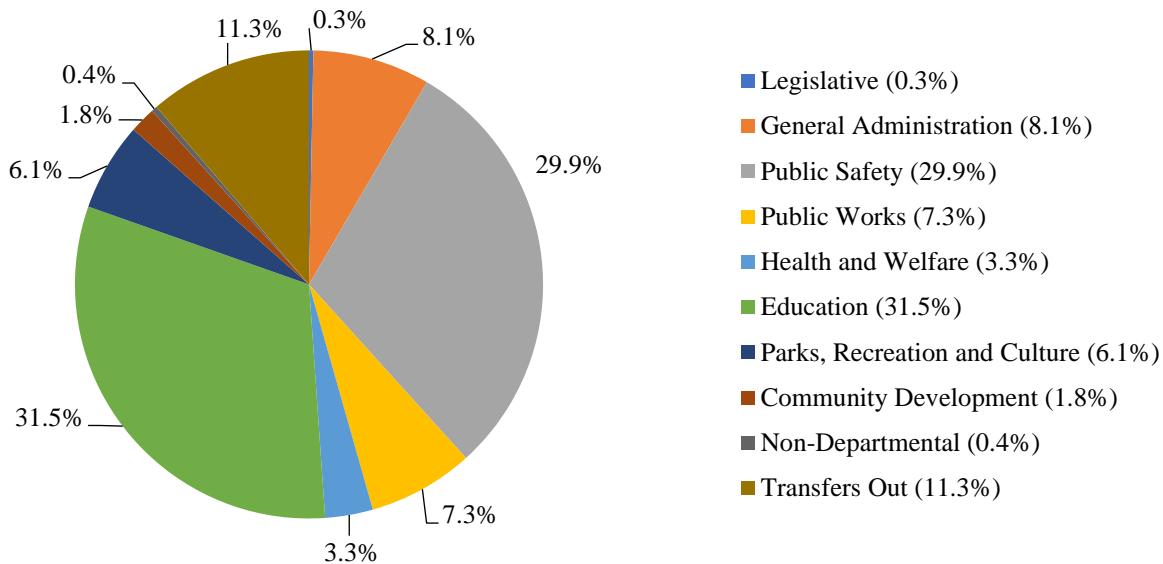
In FY2026, the transfer from the Sewer Fund totals \$300,000, which is the same as FY2025. This provides funds to reimburse the General Fund for expenses incurred in the overall administration of the sewer system.

In FY2026, there is a Solid Waste Fund transfer to the General Fund for expenses incurred for administration of the City's solid waste program in the amount of \$50,000, which is the same as FY2025.

General Fund Expenditures by Source

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Legislative	\$ 81,718	82,318	99,534	103,733	4,199	4.22%
General Administration	2,876,052	2,760,818	3,024,596	3,227,279	202,683	6.70%
Public Safety	9,341,900	10,372,608	11,227,408	11,961,743	734,335	6.54%
Public Works	2,247,139	2,556,402	2,824,367	2,904,728	80,361	2.85%
Health and Welfare	1,129,997	1,383,433	1,317,637	1,335,877	18,240	1.38%
Education	10,488,504	10,300,540	11,988,038	12,588,038	600,000	5.00%
Parks, Recreation and Culture	2,098,638	2,157,658	2,329,211	2,443,637	114,426	4.91%
Community Development	691,995	693,097	757,194	716,577	(40,617)	-5.36%
Non-Departmental	194,153	238,037	235,144	176,214	(58,930)	-25.06%
Transfers Out	4,144,000	5,043,065	4,612,425	4,547,323	(65,102)	-1.41%
Total Expenditures	\$ 33,294,096	35,587,976	38,415,554	40,005,149	1,589,595	4.14%

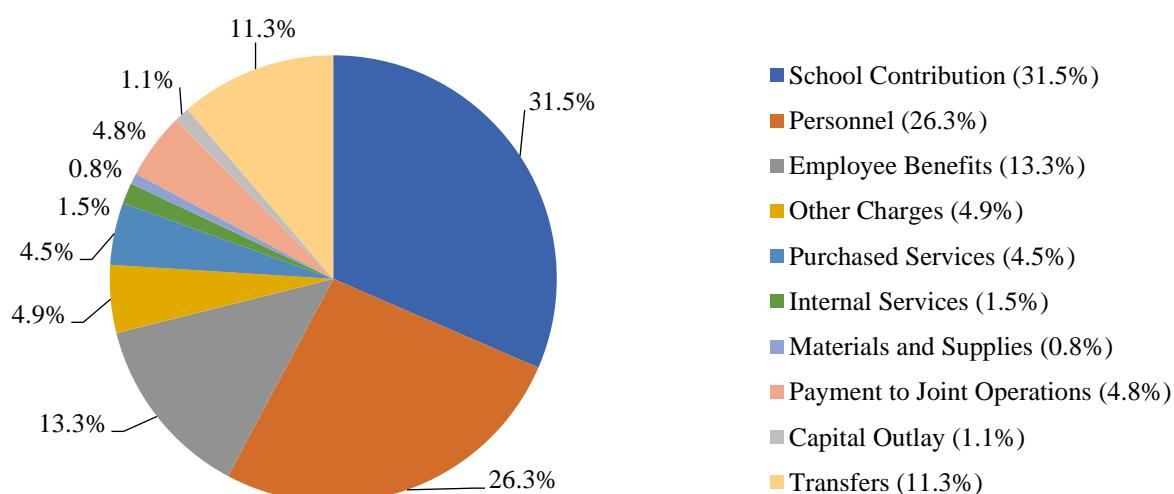
Projected FY 2026 General Fund Expenditures by Source



General Fund Expenditures by Expense Type

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
School Contribution	\$ 10,488,504	10,300,540	11,988,038	12,588,038	600,000	5.00%
Personnel	8,722,145	9,136,695	10,036,369	10,510,945	474,576	4.73%
Employee Benefits	3,959,021	4,260,013	5,065,054	5,335,280	270,226	5.34%
Other Charges	1,594,324	2,139,920	1,880,616	1,950,244	69,628	3.70%
Purchased Services	1,228,496	1,349,745	1,676,742	1,782,804	106,062	6.33%
Internal Services	571,972	609,970	528,062	603,337	75,275	14.25%
Materials and Supplies	248,360	235,253	328,505	329,274	769	0.23%
Payment to Joint Operations	1,423,499	1,730,676	1,846,408	1,935,987	89,579	4.85%
Capital Outlay	913,775	782,099	453,335	421,917	(31,418)	-6.93%
Transfers	4,144,000	5,043,065	4,612,425	4,547,323	(65,102)	-1.41%
Total Expenditures	\$ 33,294,096	35,587,976	38,415,554	40,005,149	1,589,595	4.14%

Projected FY 2026 General Fund Expenditures by Expense Type



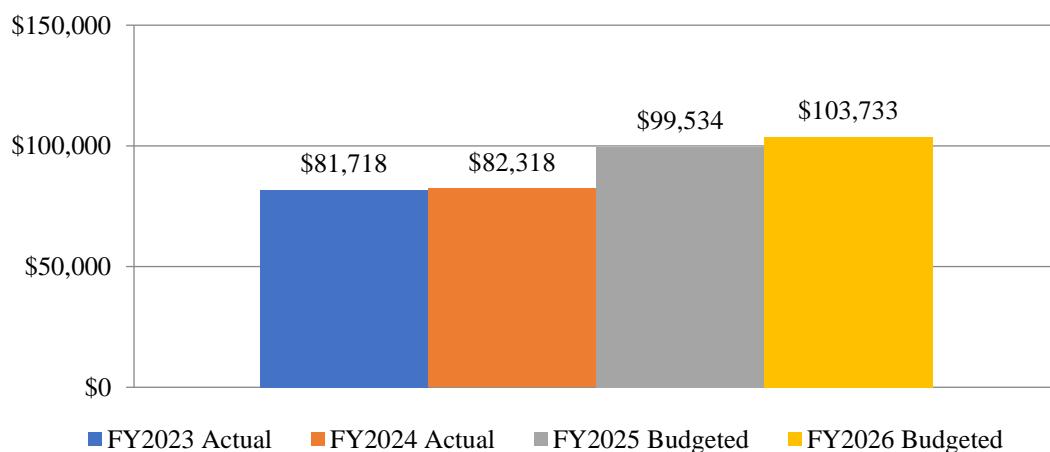
City Council

The City of Poquoson is organized under the Council-Manager form of government. The Poquoson City Council is composed of seven members who are elected by the voters and serve four-year staggered terms. The City is divided into three precincts, each of which is entitled to two representatives. The City Mayor is elected at large. Persons elected to City Council take office on the first day of January following the election which is held in November of even number years. The City Council appoints the City Manager, City Clerk, City Attorney, and members to various Boards and Commissions. The City Council adopts the City Budget, Constrained Capital Improvement Plan, ordinances and resolutions relating to municipal affairs and imposes fines and penalties for noncompliance. The City Council also adopts the Comprehensive Plan, which serves as the planning tool for strategic initiative. The Council is served by a City Clerk who is responsible for transcribing the minutes of Council meetings and generally managing City Council's affairs. The City Clerk provides administrative support to the Mayor and Council and maintains City records in accordance with the Code of Virginia.

Expenditures Summary

The budget for FY2026 totals \$103,733 and includes a 3% base compensation increase, as well as related benefit increases. Additionally, this department reflects an anticipated increase in travel and training.

Proposed and Historical Budget vs. Actual



Goals and Objectives

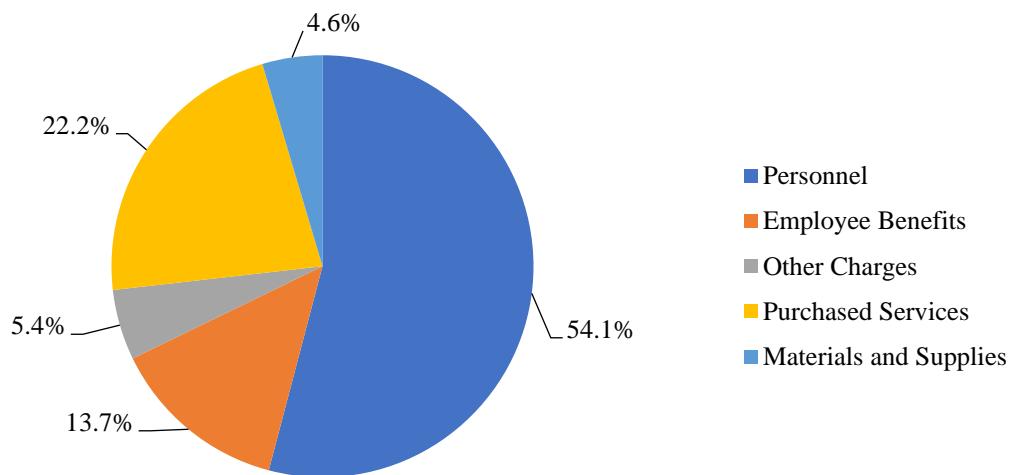
The City Council promotes economic development opportunities as a means of bringing balance to local revenue generation. They also provide outstanding leadership and commitment to quality services on behalf of the citizens. City Council will also develop, maintain and update the mission, vision and strategic initiatives for the City, which can be found on page 11 of the executive summary.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	0.40	0.40	0.40	0.40	0.40

Expenditures by Type

City Council	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 51,223	54,734	54,780	56,162	1,382	2.52%
Employee Benefits	10,545	11,323	12,054	14,171	2,117	17.56%
Other Charges	4,487	4,319	5,400	5,600	200	3.70%
Purchased Services	11,665	10,640	22,500	23,000	500	2.22%
Materials and Supplies	3,798	1,204	4,800	4,800	-	0.00%
Capital Outlay	-	98	-	-	-	0.00%
Total	\$ 81,718	82,318	99,534	103,733	4,199	4.22%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Regular Meetings	17	13	18	19
Work Sessions	2	2	6	4
Special Sessions / Retreats	1	-	2	2

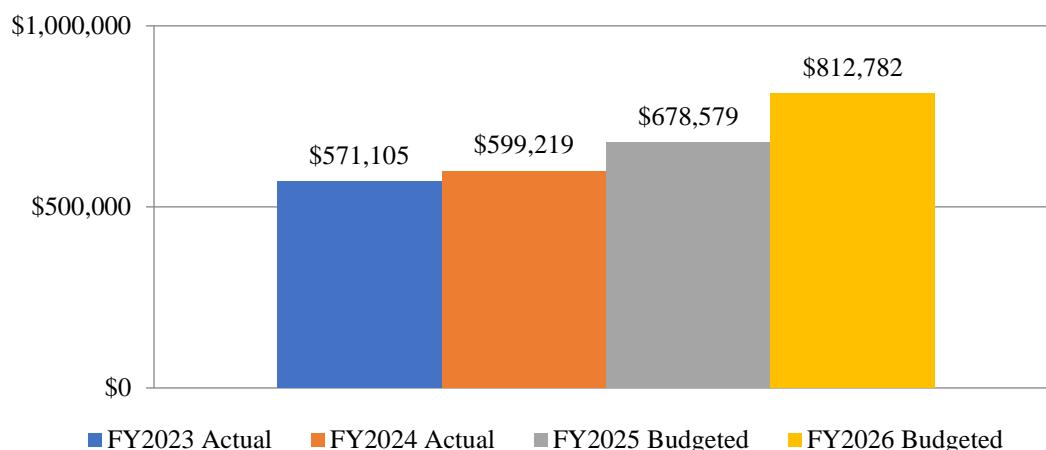
City Manager

The City Manager's Office serves as the primary point of contact for citizen questions and requests for service, as well as serves as the public information office for media requests for non-public safety related information. In addition, the City Manager's Office partners with our Superintendent of Schools, our Constitutional Officers, the York-Poquoson Department of Social Services and other state, federal and regional partners on a variety of issues and programs that serve the City's residents, businesses and greater Hampton Roads. The City Manager's Office formulates strategic plans and determines budgets across government departments and projects to be presented to City Council. Lastly, the City Manager's Office oversees all human resource matters.

Expenditures Summary

The budget for FY2026 totals \$812,782 and includes a 3% base compensation increase, as well as related benefit increases. Additionally, this department reflects an anticipated increase in travel and training. During FY2025, a Human Resources Director was added to this department, which was a result of reallocating an Economic Development Coordinator position due to the City Manager's Office assuming the economic development responsibilities.

Proposed and Historical Budget vs. Actual



Goals and Objectives

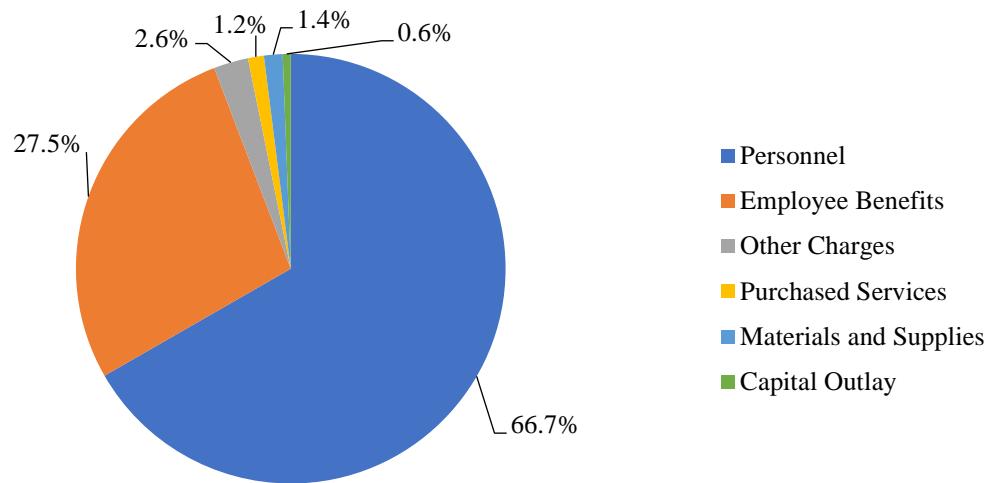
The City Manager's goals are to provide outstanding leadership to the City Government, and increase economic growth within the City, as well as executing local policies as determined by City Council through the City Code of Ordinances. Additionally, the City Manager's objective is to effectively manage all governmental services, and maintain an excellent working partnership with the Superintendent and Poquoson City Public Schools. The City Manager will also ensure that departmental objectives and priorities align with City Council's mission, vision and strategic initiatives for the City. City Council's adopted mission, vision and strategic initiatives can be found on page 11 of the executive summary.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	3.80	3.80	4.80	4.80	4.80

Expenditures by Type

City Manager	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 378,066	413,028	445,023	541,935	96,912	21.78%
Employee Benefits	153,702	165,075	190,636	223,752	33,116	17.37%
Other Charges	16,229	6,756	19,700	21,500	1,800	9.14%
Purchased Services	9,549	1,982	7,200	9,395	2,195	30.49%
Materials and Supplies	9,570	7,037	11,200	11,200	-	0.00%
Capital Outlay	3,989	5,341	5,000	5,000	-	0.00%
Total	\$ 571,105	599,219	678,759	812,782	134,023	19.75%



Legal Services

The City Attorney is appointed by the City Council to serve as legal advisor to the City Council, the City Manager, and all Departments and Boards and Commissions of the City. The City Attorney prepares and reviews ordinances for introduction to the City Council, as well as drafts and reviews all contracts, licenses, permits, deeds, leases and other legal documents to which the City is a party. The City Attorney also represents the City in all legal proceedings and prosecutes violations of City ordinances.

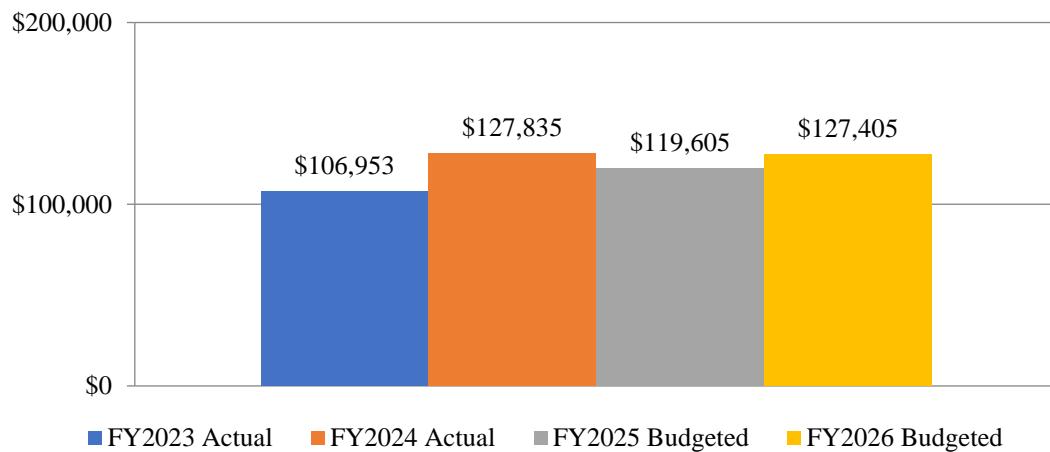
Legal Services are provided by a licensed attorney, contracted and appointed by City Council. Since the City does not employ the City Attorney, the cost of legal services is reflected in purchased services.

The City Attorney will practice preventive law on behalf of the City of Poquoson through regular meetings with the City Manager and recommendations to improve the legal position of the City. City Attorney will handle legal matters concerning the City in accordance with law in a timely and efficient manner.

Expenditures Summary

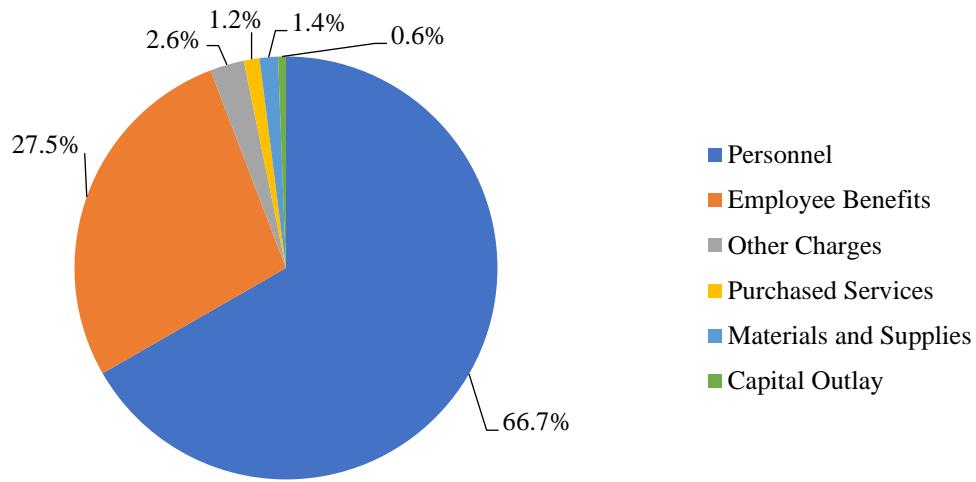
The budget for FY2026 totals \$127,405 and includes a projected increase in the cost of legal services. This department does not have any costs associated with personnel.

Proposed and Historical Budget vs. Actual



Expenditures by Type

Legal Services	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Other Charges	\$ 325	325	400	400	-	0.00%
Purchased Services	96,154	118,155	110,805	118,305	7,500	6.77%
Materials and Supplies	7,661	4,313	4,400	4,700	300	6.82%
Capital Outlay	2,813	5,042	4,000	4,000	-	0.00%
Total	\$ 106,953	127,835	119,605	127,405	7,800	6.52%



Independent Auditor

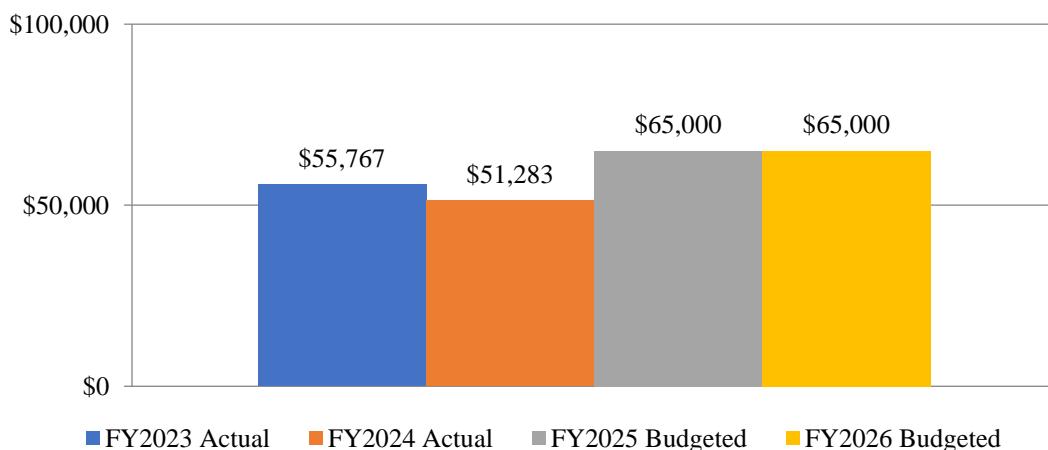
Independent Auditor accounts for an independent accounting firm to conduct an audit of the City's, Schools', and EDA's financial records for the preceding fiscal year in accordance with law.

Assist in reviewing Government Finance Officers Association (GFOA) prior year comments and financial statement check list in order to apply for the GFOA award for certification of Achievement for Excellence in Financial Reporting for FY2025.

Expenditures Summary

The budget for FY2026 totals \$65,000, which remains flat from FY2025. This department does not have any costs associated with personnel. This budget represents the cost associated with professional auditing services by an independent accounting firm.

Proposed and Historical Budget vs. Actual



Goals and Objectives

An independent accounting firm is contracted to conduct the audit of the City, School and EDA. In order to receive an independent review of the financial records, no personnel services are reflected. They provide City Council and City administration analysis, recommendations, counsel and information concerning financial related activities of the City in accordance with generally accepted government auditing standards promulgated by the Comptroller General of the United States and the Auditor of Public Accounts of the Commonwealth of Virginia. They perform FY2025 audits of the City, School Board, School Activity Funds and Economic Development Authority (EDA) and draft the Annual Comprehensive Financial Report by November 30, 2025. They prepare the Comparative Cost Report for the City, and provide suggestions to strengthen internal accounting and administrative controls.

Expenditures by Type

Independent Auditor	FY 2023	FY 2024	FY 2025	FY 2026	\$	%
	Actual	Actual	Budgeted	Budgeted	Change	Change
Purchased Services	\$ 55,767	51,283	65,000	65,000	-	0.00%

Program Measures

	FY 2023	FY 2024	FY 2025	FY 2026
	Actual	Actual	Estimated	Estimated
Auditing Hours	780	780	780	780

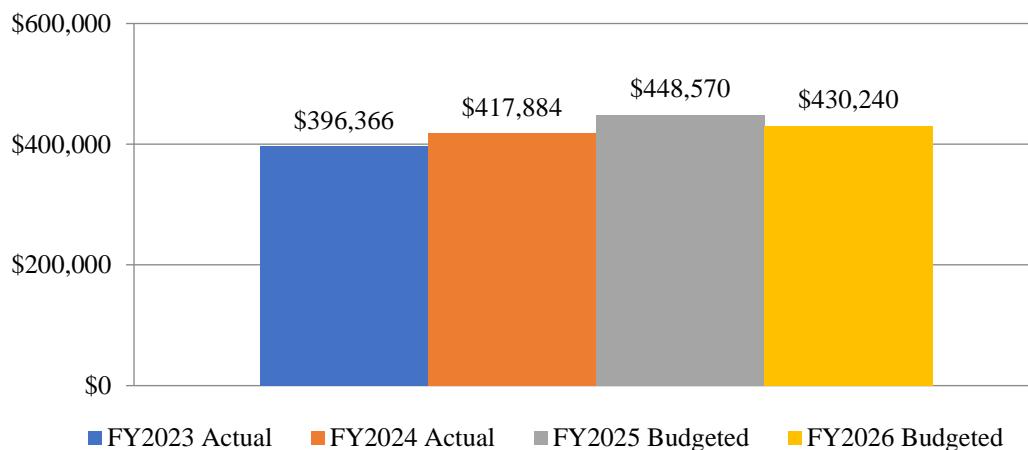
Commissioner of the Revenue

Maintain owners of record for all real estate parcels; prepare land book in accordance with State Code. Ensure that all personal property, business property and public utility taxes are assessed. Render fair and consistent assessments with regards to all personal property. Audit all locally filed Virginia State income tax returns and provide reports to State and City Treasurer. Utilize the online computer systems with the Virginia Department of Taxation for processing refunds. Administer tax exemption and deferral program for elderly and handicapped and Disabled Veteran Program. Issue business licenses to all businesses operating within the City and non-city contractor businesses which gross \$25,000 or more in business within the City of Poquoson. Prepare food and beverage tax forms and enforce such tax. Administer and enforce the rules and regulations relating to cigarette taxation. The Commissioner of Revenue also manages the DMV Select Office. The DMV Select Office budget information is listed separately and can be found on page 133.

Expenditures Summary

The budget for FY2026 totals \$430,240 and includes a 3% base compensation increase, as well as related benefit increases. The projected decrease in the budget is related to personnel turnover savings.

Proposed and Historical Budget vs. Actual



Goals and Objectives

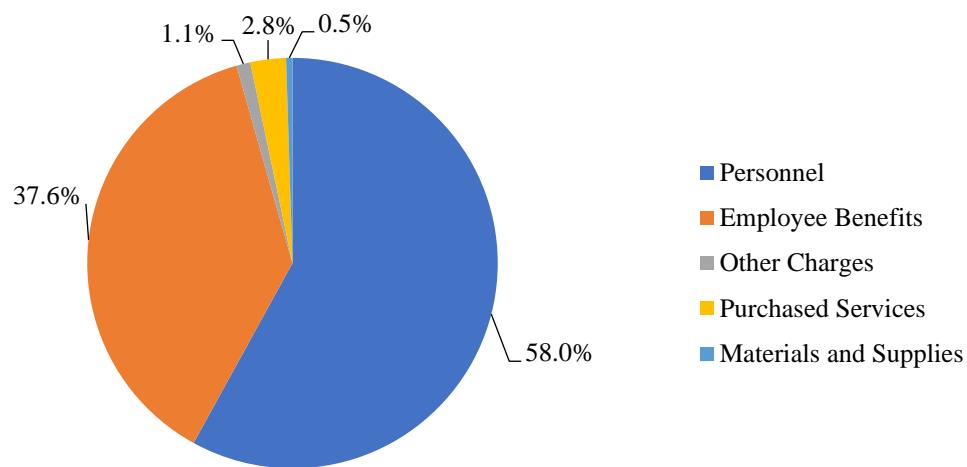
The goals for the Commissioner of the Revenue are preparing the Real Estate Land Book and all necessary supplements. They will execute deferral and exemption of real estate taxes for elderly and disabled persons who meet requirements. The office will meet all of the deadlines for the assessment book and business license for the year. This office will continue to audit the Virginia Department of Taxation for proper remittance of Poquoson's sales tax, and enforce prepared food, beverage and cigarette tax. The Commissioner of the Revenue's Office will assist residents with their state tax preparation and submission, and provide outstanding customer service to all of our patrons.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	4.00	4.00	4.00	4.00	4.00

Expenditures by Type

Commissioner of the Revenue	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 233,815	240,162	260,695	249,465	(11,230)	-4.31%
Employee Benefits	146,339	157,401	169,475	161,975	(7,500)	-4.43%
Other Charges	4,005	3,867	4,700	4,700	-	0.00%
Purchased Services	10,592	14,236	11,650	11,850	200	1.72%
Materials and Supplies	1,615	1,967	2,050	2,250	200	9.76%
Capital Outlay	-	251	-	-	-	0.00%
Total	\$ 396,366	417,884	448,570	430,240	(18,330)	-4.09%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Business License	867	852	860	860
Meals Tax	52	51	55	55
Personal Property Abatements	3,148	3,212	3,250	3,300
Personal Property Assessments	22,461	22,610	22,650	22,700
Property Transfers	574	682	725	750
Public Service Corporations	10	10	10	10
Real Estate Abatements	105	148	150	160
Real Estate Parcels	5,696	5,709	5,750	5,850
State Estimated Returns	134	160	150	150
State Tax Returns Audited	629	453	425	400
Tax Exemption and Deferral Applications	100	99	100	100

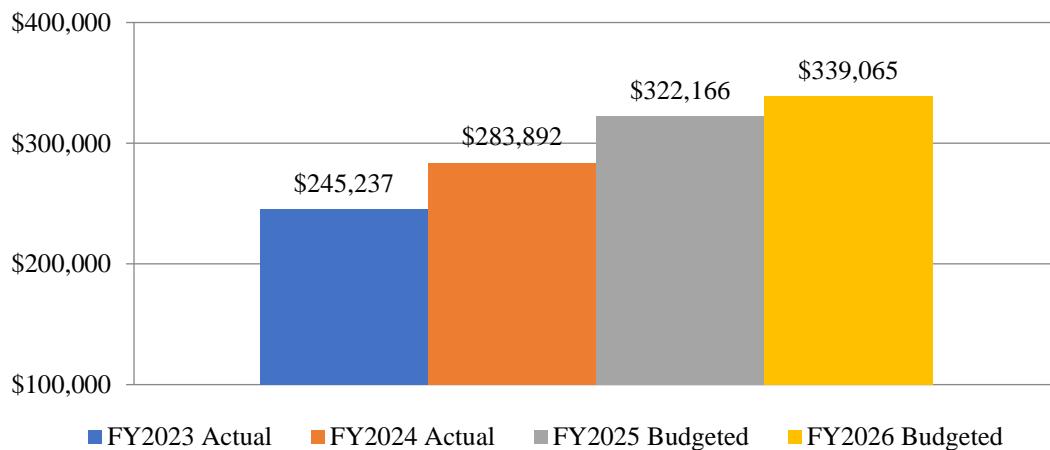
Assessor - Equalization Board

The Assessor's Office appraises all real estate in Poquoson and interprets and administers all laws pertaining to assessments. This task forms the base of all real estate taxes which is a substantial portion of the revenue used to operate the City. The Assessor's Office is also in charge of the real estate property record and the reporting and maintenance of such record. This includes mapping and map changes, new construction, additions, demolitions, use changes, GIS maintenance and Land Book creation (in conjunction with the Commissioner of the Revenue).

Expenditures Summary

The budget for FY2026 totals \$339,065 and includes a 3% base compensation increase, as well as related benefit increases. There is an increase in this department related to anticipated increases in software costs, including GIS website maintenance and VISION, as well as Multiple Listing Service subscription costs.

Proposed and Historical Budget vs. Actual



Goals and Objectives

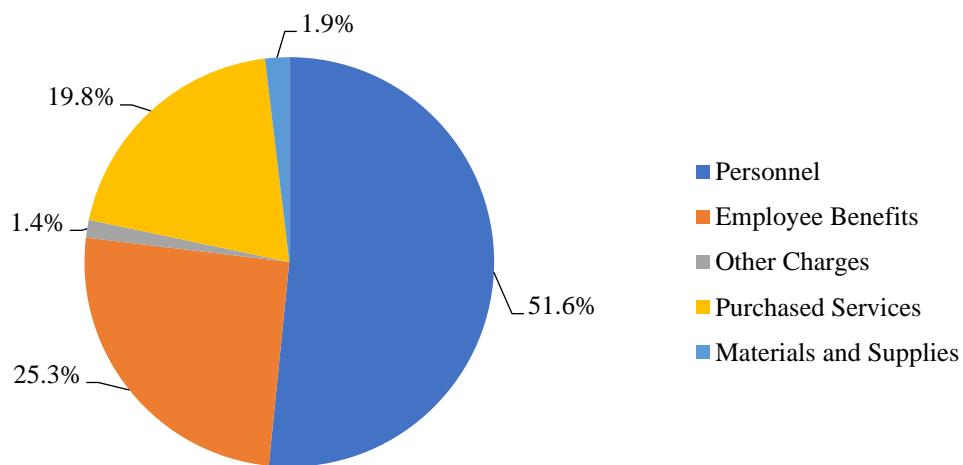
The Assessor's Office continues to maintain the record through detailed validation of real estate sales using the Real Estate Information Network Multiple Listing Service (REIN MLS), oblique photography and interviews with developers and contractors. Permit maintenance is performed in collaboration with the Community Development department, planning and building officials. This year, the office launched a new comprehensive GIS website for public use. An inter-departmental website is ready to launch pending the installation of map layers to be provided by the Utilities department.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	2.00	2.00	2.00	2.00	2.00

Expenditures by Type

Assessor	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 153,615	163,165	170,034	175,090	5,056	2.97%
Employee Benefits	63,627	66,301	75,052	85,695	10,643	14.18%
Other Charges	4,560	3,431	6,380	4,680	(1,700)	-26.65%
Purchased Services	19,499	47,037	64,300	67,200	2,900	4.51%
Materials and Supplies	3,936	3,382	6,400	6,400	-	0.00%
Capital Outlay	-	576	-	-	-	0.00%
Total	\$ 245,237	283,892	322,166	339,065	16,899	5.25%



Program Measures

Assessor	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Real Estate Parcels	5,686	852	860	860
Total Assessed Value	\$1,796,949,800	\$2,048,711,100	\$2,086,711,100	\$2,100,000,000
Property Transfers	575	3,212	3,250	3,300
Abatements and Supplements	352	22,610	22,650	22,700
Assessed Value - Abate/Supplement	\$13,204,100	\$10,046,700	\$38,000,000	\$20,000,000
Equalization Board				
# of Property Owners Appealing	5	-	7	-
# of Parcels Reviewed	6	-	7	-
# of Parcels Increased	-	-	-	-
Value of Increases	-	-	-	-
# of Assessments Decreased	5	-	3	-
Value of Decreases	\$94,096	-	\$74,100	-

* Assessments are performed every two years; therefore, the Equalization Board only meets every two years.

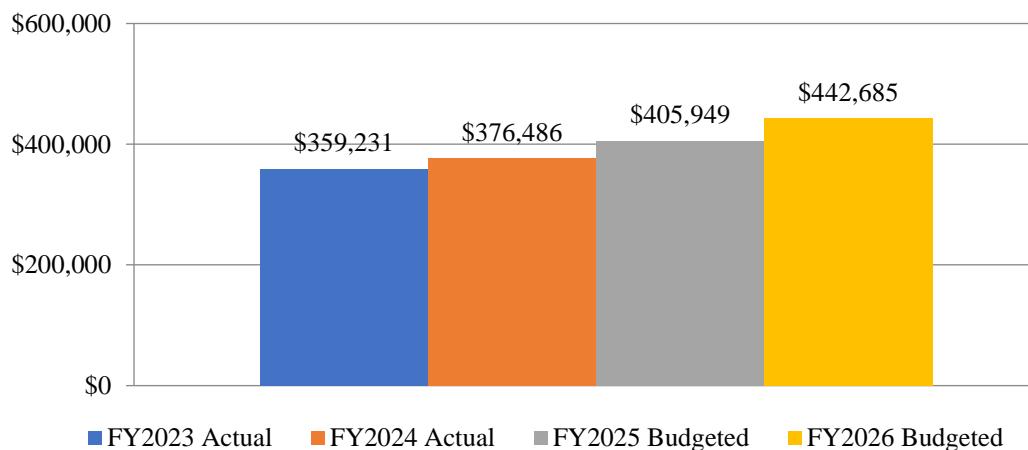
Treasurer

The Treasurer's Office collects all revenue due to the City and School Division, including real estate, personal property, service fees, prepared meals tax, license fees, and utility fees. This office administers the online - payment website, direct-debit program and credit cards. The Treasurer's Office pursues delinquent taxes and fees through DMV stops, debt setoff through the Virginia Department of Taxation, wage and bank liens and warrants. This office is responsible for maintaining proper accounting of all cash receipts, the investing of idle cash and assisting in debt service management. They maintain and reconcile bank accounts used by the City and School Division. Collecting and depositing state income taxes and State estimated taxes. They process and mail all original and delinquent personal property, real estate and public service bills. They maintain mortgage files so real estate taxes can be conveyed against escrowed funds for taxpayers.

Expenditures Summary

The budget for FY2026 totals \$442,685 and includes a 3% base compensation increase, as well as related benefit increases. Additionally, this department reflects an increase in postage.

Proposed and Historical Budget vs. Actual



Goals and Objectives

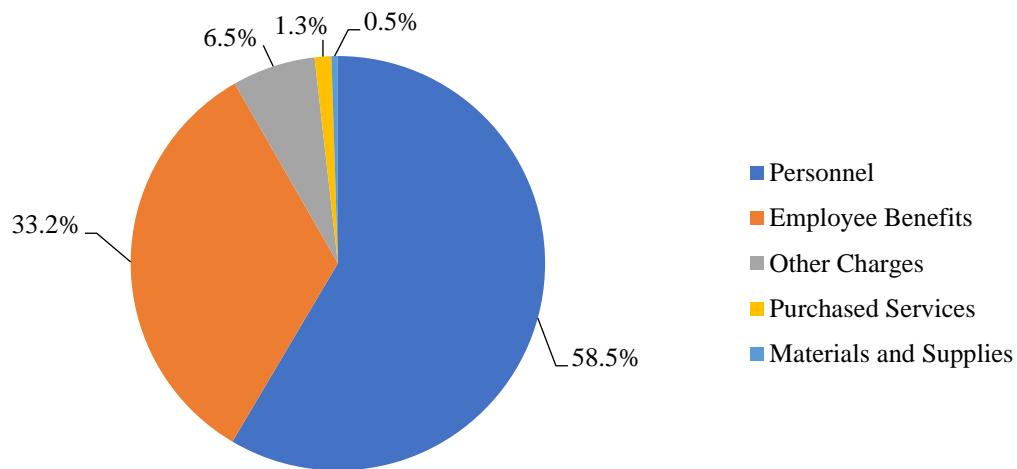
The Treasurer's Office will maintain high collection rates and offer excellent customer service. The employees will continue participating in the training and certification program provided through the Treasurer's Association of Virginia for which the Treasurer and two deputies are currently certified as Master Governmental Treasurer and Master Governmental Deputy Treasurers. The Treasurer's Office was first accredited by the Treasurer's Association of Virginia in 2014 and this certification has been retained annually.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	4.00	4.00	4.00	4.00	4.00

Expenditures by Type

Treasurer	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 225,122	239,761	251,504	258,589	7,085	2.82%
Employee Benefits	105,093	108,757	119,295	147,146	27,851	23.35%
Other Charges	21,548	22,069	26,850	28,850	2,000	7.45%
Purchased Services	4,779	4,073	5,750	5,750	-	0.00%
Materials and Supplies	2,689	1,826	2,550	2,350	(200)	-7.84%
Total	\$ 359,231	376,486	405,949	442,685	36,736	9.05%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
First Year Pers Prop Collection Rate	90.31%	89.72%	90.00%	90.00%
First Year Real Estate Collection Rate	99.01%	98.90%	99.00%	99.00%
Business Licenses Processed	817	874	850	850
Dog Tags Processed	326	340	340	340
Estimated & State Income Tax Payments	462	459	460	460
Meals Tax Payments Processed	340	364	360	360
Miscellaneous Payments Processed	6,630	7,665	7,450	7,300
Personal Property Tax Tickets Processed	34,437	34,564	34,900	35,000
Real Estate Tax Tickets Processed	11,932	12,662	12,750	12,900
Utility Account Payments Processed	27,610	27,809	28,000	28,250
DMV Registration Hold Releases	536	596	600	600
Golf Cart Registrations	1	4	4	4
VMRC License Transactions	385	383	385	385

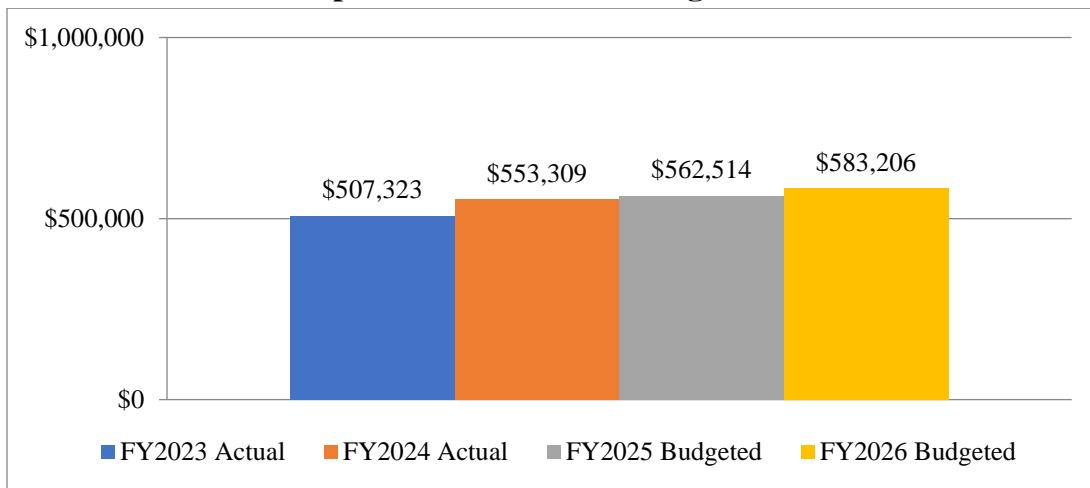
Finance

The Finance Department provides financial services for all City operations. Duties include general accounting, payroll, accounts payable, purchasing, sewer and solid waste utility billing, computer support services, risk management program, and administering employee benefit programs. Through the preparation of the City's Annual Comprehensive Financial Report, Annual Financial Plan and the Constrained Capital Improvements Plan, the department develops, monitors, and reports the financial activities of the City. The Department is also the audit liaison for the City's annual financial audit.

Expenditures Summary

The budget for FY2026 totals \$583,206 and includes a 3% base compensation increase, as well as related benefit increases. There is also a projected increase included for support costs for financial software.

Proposed and Historical Budget vs. Actual



Goals and Objectives

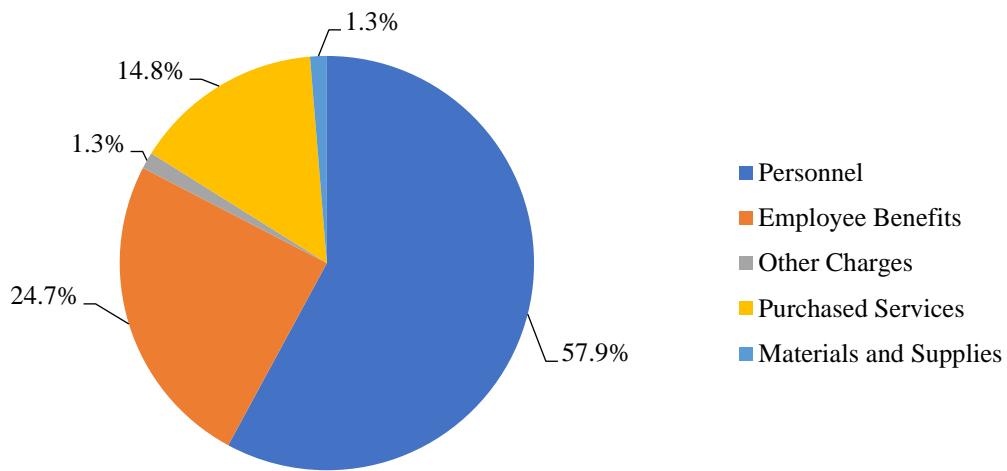
Finance oversees annual audit, risk management activities, and employee benefits; maintains and monitors all financial records and prepares an annual financial plan. They continue to identify areas of cost savings on a city-wide basis. They identify areas where City financial policies should be developed, such as cash management, fund balance requirements and equipment replacement. Finance prepares a budget that meets or exceeds the requirements of the GFOA Distinguished Budget Award, and the Annual Comprehensive Financial Report that also meets or exceeds the requirements of the GFOA Award in Financial Reporting.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	4.00	4.00	4.00	4.00	4.00

Expenditures by Type

Finance	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 313,425	343,459	328,555	337,562	9,007	2.74%
Employee Benefits	110,274	123,948	134,419	144,164	9,745	7.25%
Other Charges	4,848	5,307	6,890	7,330	440	6.39%
Purchased Services	72,631	74,901	84,900	86,400	1,500	1.77%
Materials and Supplies	6,145	5,694	7,750	7,750	-	0.00%
Total	\$ 507,323	553,309	562,514	583,206	20,692	3.68%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Accounts Payable Checks Issued	3,272	3,229	3,733	3,800
Invoices Paid	6,648	6,937	6,947	7,100
Payroll Checks Issued	268	143	283	145
Payroll Direct Deposits	4,318	4,218	4,244	4,348
Utility Bills Printed	31,291	32,440	33,232	34,000
Utility Customers	4,818	4,844	4,978	5,111
Utility Customers with Special Rates	98	98	103	103

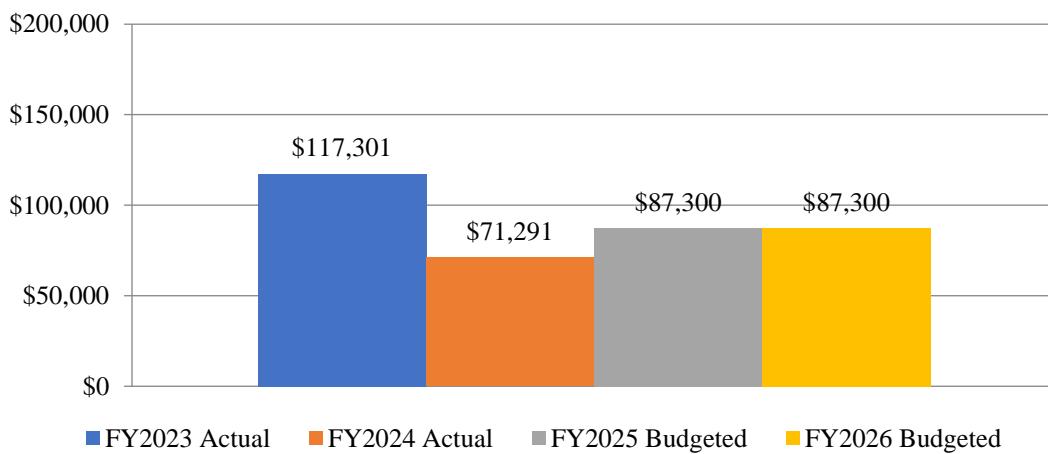
Technology

This department supports the contractor that maintains and assists with the City's GIS database as well as the shared information technology support from the Poquoson City Public Schools. Purchases technology equipment for the City.

Expenditures Summary

The budget for FY2026 totals \$87,300. This department does not have any costs associated with personnel. The technology function lies with the Finance Department along with the assistance of the City's operating divisions.

Proposed and Historical Budget vs. Actual

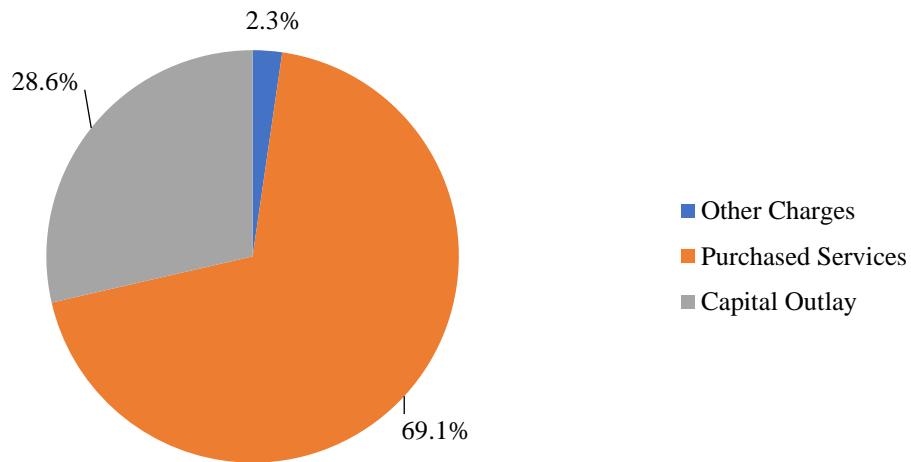


Goals and Objectives

The Technology department will provide maintenance and technical support for the City's GIS database, computer systems and purchase of technology equipment. They will also continue City-wide replacement plan for technology equipment.

Expenditures by Type

Technology	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Other Charges	\$ 2,636	3,665	2,000	2,000	-	0.00%
Purchased Services	93,041	45,644	60,300	60,300	-	0.00%
Capital Outlay	21,624	21,982	25,000	25,000	-	0.00%
Total	\$ 117,301	71,291	87,300	87,300	-	0.00%



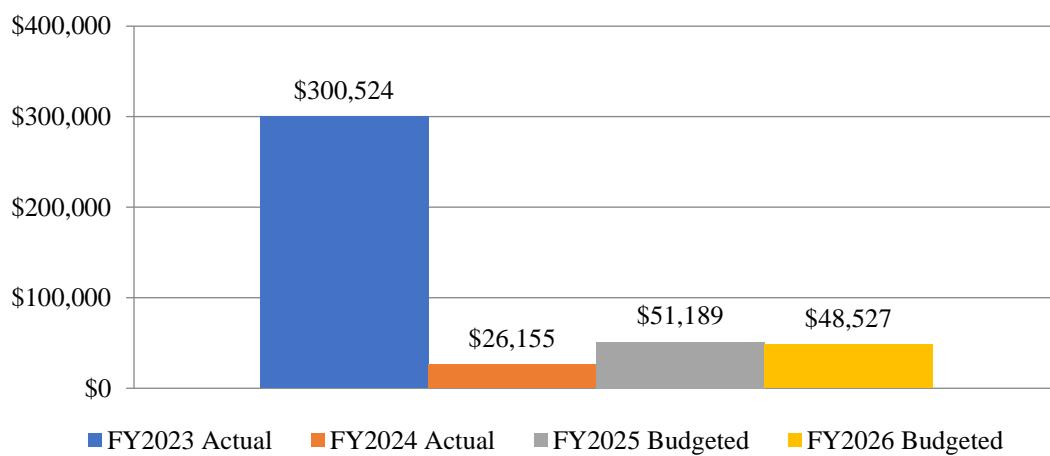
Risk Management

Contain expenses relating to the city's property, liability, and automobile insurance coverage for general administration departments. This department funds other fringe benefits that cannot be allocated to a particular department. The City has been recognized as a member of the Gold Star List by the Virginia Risk Sharing Association for reporting workers' compensation claims within three days of injury.

Expenditures Summary

The budget for FY2026 totals \$48,527, which is a \$2,662 decrease from FY2025.

Proposed and Historical Budget vs. Actual

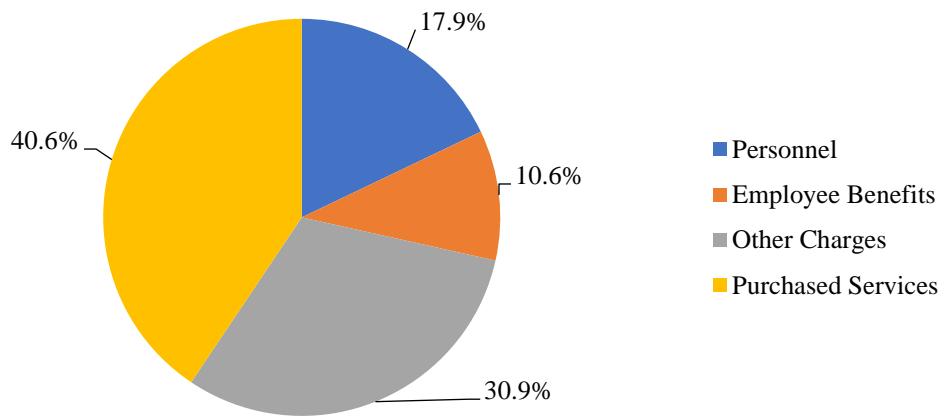


Goals and Objectives

Risk Management will work to minimize liability exposure and to seek coverage wherever exposure exists. They will continue to stress the importance of safety programs and other preventive measures for reducing loss. Risk Management works with departments on safety, conducts inspections and various types of safety training.

Expenditures by Type

Risk Management	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 275,058	1,431	9,000	8,664	(336)	-3.73%
Employee Benefits	2,688	4,546	4,689	5,163	474	10.11%
Other Charges	14,376	14,218	17,800	15,000	(2,800)	-15.73%
Purchased Services	8,226	5,960	19,700	19,700	-	0.00%
Materials and Supplies	176	-	-	-	-	0.00%
Total	\$ 300,524	26,155	51,189	48,527	(2,662)	-5.20%



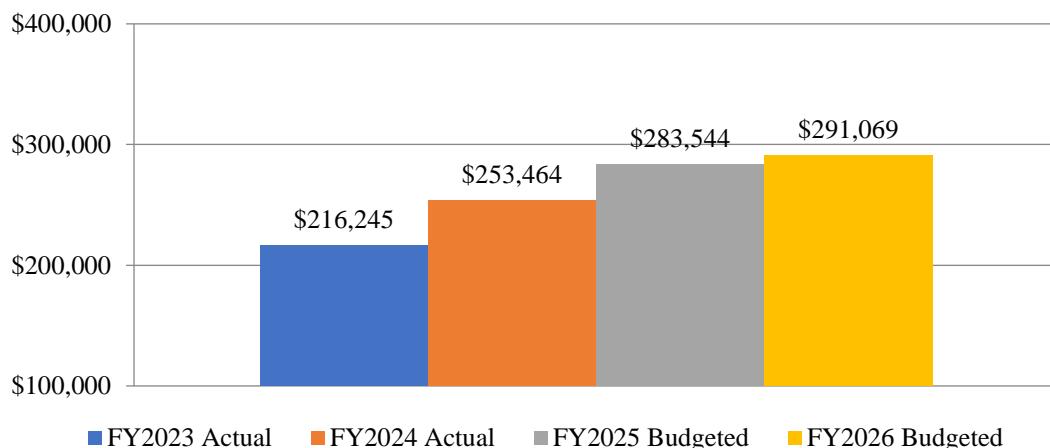
Registrar

Process registrations of residents not only in Poquoson but throughout Virginia and the United States. Assist registrations at Poquoson High School, Bayside Convalescent Center and Dominion Village. Maintain accurate records of all registered voters. Process and enter all registrations, deletions, name and address changes into the voter registration system. Oversee all elections, absentee voting and 45 day early voting center, ensuring that they are handled in accordance with Virginia Election laws. Certify all voting precincts and early voting centers are ADA compliant to Attorney General standards. Verify Certificate of Candidate Qualifications, Declarations of Candidacy and all petitions filed by candidates or groups seeking a referendum. Verify the results of each election and certify to the State Board of Elections. Recruit and train Officers of Election and schedule officers to work at polling places.

Expenditures Summary

The budget for FY2026 totals \$291,069 and includes a 3% base compensation increase, as well as related benefit increases. There is an increase for funding required for election officers and other operating expenditures.

Proposed and Historical Budget vs. Actual



Goals and Objectives

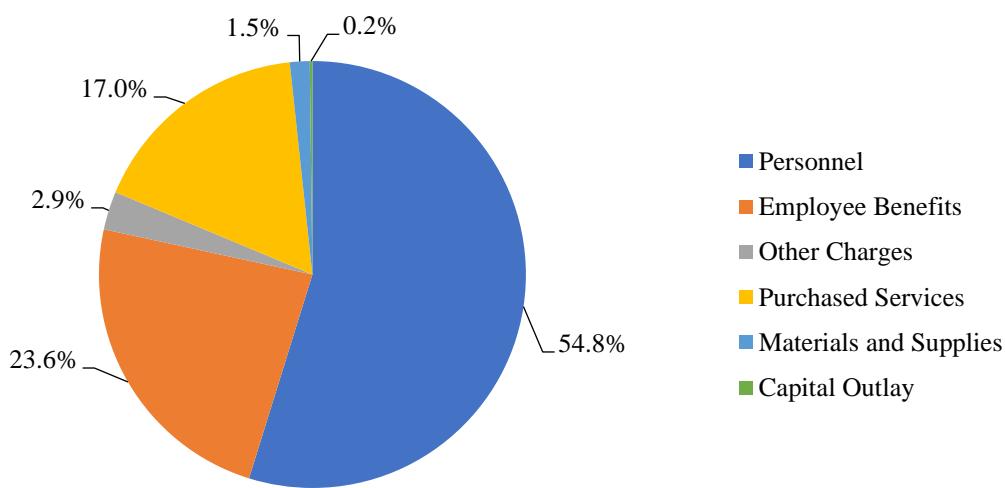
The Registrar's Office, along with the Electoral Board, will conduct elections, absentee, 45 days early voting, curbside and pre-processing held in the City of Poquoson. They will certify election results accurately and expeditiously. They will protect the integrity of the electoral process and efficiently conduct the elections in FY2026 within the provisions of the Code of Virginia. They will recruit, appoint and train qualified Officers of Election and schedule officers to work at the polling precincts. They will purchase, maintain and test voting equipment approved by the Virginia Department of Elections prior to each election. FY2026 elections to include November 4, 2025 Gubernatorial Election and, if called, a Primary Election on June 16, 2026. Increase public awareness of voter registration, early voting and absentee voting processes.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	2.10	2.10	2.10	2.10	2.10

Expenditures by Type

Registrar	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 134,534	149,333	158,225	159,403	1,178	0.74%
Employee Benefits	57,352	59,234	65,005	68,621	3,616	5.56%
Other Charges	3,167	4,848	6,505	8,455	1,950	29.98%
Purchased Services	13,107	37,554	41,034	49,590	8,556	20.85%
Materials and Supplies	3,251	2,120	3,600	4,500	900	25.00%
Capital Outlay	4,834	375	9,175	500	(8,675)	-94.55%
Total	\$ 216,245	253,464	283,544	291,069	7,525	2.65%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Changes in Address of Voters	433	477	550	500
Deletions	702	512	650	525
New Registrants	313	389	450	500
Other Changes	373	375	400	400
Registered Voters	9,521	9,799	9,850	10,400
Voters Transferred In	308	396	475	400

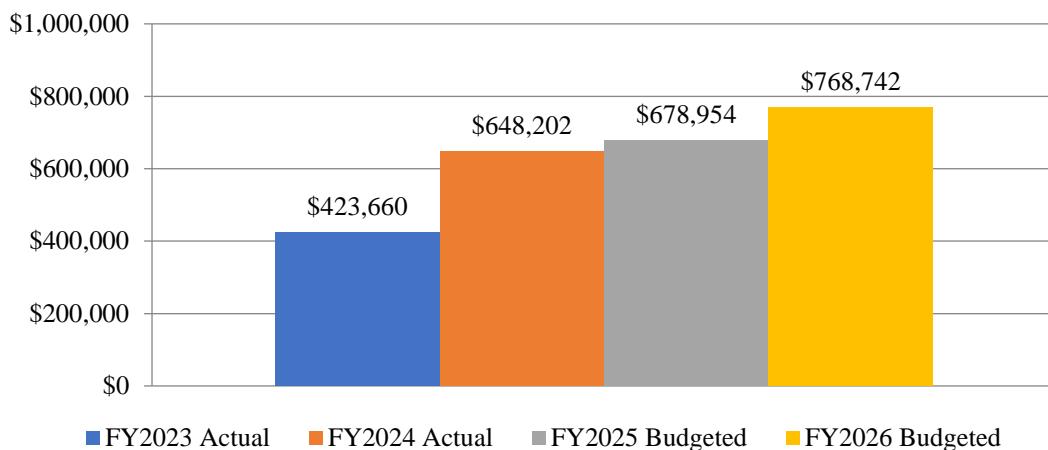
Courts and Sheriff

This department includes the cost of judicial services, which are shared with York County. Included are the prorated costs of the Commonwealth Attorney, Juvenile/Domestic Relations Court, services provided by the Clerk of Court, Sheriff services, and certain capital and maintenance costs for the court buildings. All court activity is located in York County. This department also includes Colonial Community Corrections, whose mission is to enhance public safety, empower clients and improve the quality of the community by providing judicial alternatives to adult incarceration, transitional services, and criminal justice planning to the localities served in the region.

Expenditures Summary

The budget for FY2026 totals \$768,742, which is an \$89,788 increase over FY2025. The personnel services are administered by York County and Colonial Community Corrections. For FY2026, an increase in the overall budget is due to increases in both court administration and building maintenance operations for shared services.

Proposed and Historical Budget vs. Actual



Expenditures by Type

Courts and Sheriff	FY 2023	FY 2024	FY 2025	FY 2026	\$	%
	Actual	Actual	Budgeted	Budgeted	Change	Change
Payment to Joint Operations:						
York/Poquoson Courthouse	\$ 205,823	389,539	373,073	414,773	41,700	11.18%
Sheriff	186,758	225,416	255,122	306,735	51,613	20.23%
9th District Court	8,986	6,799	23,385	11,674	(11,711)	-50.08%
Colonial Community Corrections	22,093	26,448	27,374	35,560	8,186	29.90%
Total	<u>\$ 423,660</u>	<u>648,202</u>	<u>678,954</u>	<u>768,742</u>	<u>89,788</u>	<u>13.22%</u>

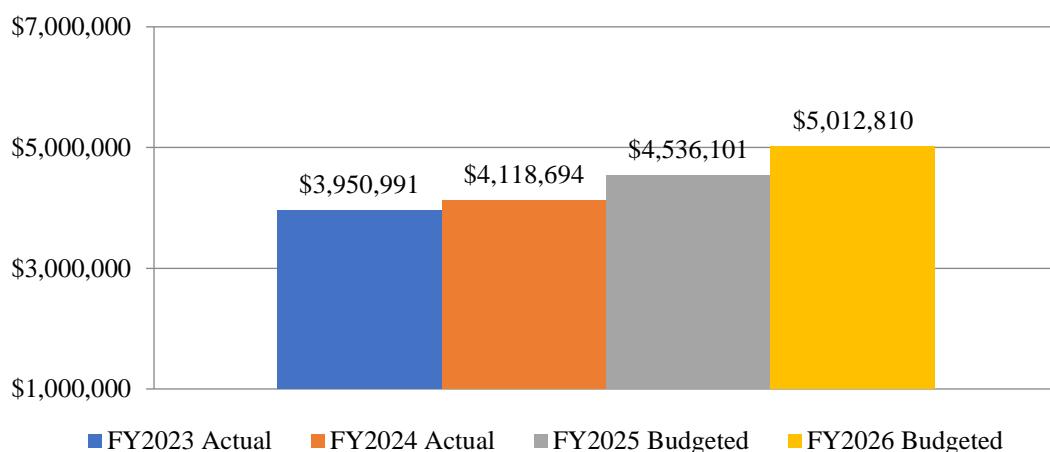
Police

Enforce the laws of the Commonwealth of Virginia and the ordinances of the City of Poquoson. Prevent and deter crime to provide for the safety of the public. Preserve and maintain a safe and secure living and business environment in Poquoson. Provide assistance and friendly service to all people within the city. Assist in providing on-scene emergency medical assistance to persons in need. Provide quality investigative services for the community and pursue those who violate the law or threaten the safety of our community.

Expenditures Summary

The budget for FY2026 totals \$5,012,810 and includes a 3% base compensation increase plus a 2% step increase for eligible employees on the new public safety pay plan, as well as related benefit increases. There are also increases for utilities and janitorial services for the new Public Safety Building.

Proposed and Historical Budget vs. Actual



Goals and Objectives

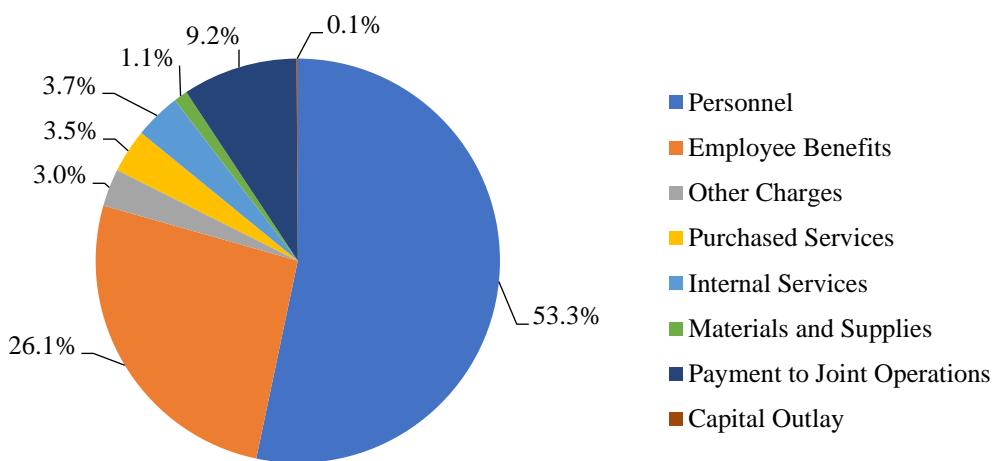
The prevention and reduction of crime through education and partnership will remain the department's primary focus. The department will continue to focus on recruitment and retention to fill vacancies so that we may maintain the high level of service that our community deserves. Officers and staff will maintain training and certification goals. The department will continue to provide bicycle patrols throughout the year. They will continue to seek grant opportunities for funding that will enhance our abilities without increasing demand on the budget, as well as maintain regional partnerships that enable them to provide efficient delivery of services to the community. The department will work diligently to ensure the police section of the new Public Safety Building is utilized to the fullest extent in order to provide the highest quality service possible to our community.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	32.00	34.50	34.50	35.50	34.50

Expenditures by Type

Police	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 1,864,095	2,136,857	2,445,667	2,650,754	205,087	8.39%
Employee Benefits	819,971	952,222	1,179,512	1,284,202	104,690	8.88%
Other Charges	89,704	94,204	87,449	150,469	63,020	72.06%
Purchased Services	107,974	129,533	158,578	224,678	66,100	41.68%
Internal Services	174,359	182,024	163,671	186,272	22,601	13.81%
Materials and Supplies	39,422	45,871	50,200	53,150	2,950	5.88%
Payment to Joint Operations	403,074	429,386	447,524	459,785	12,261	2.74%
Capital Outlay	452,392	148,597	3,500	3,500	-	0.00%
Total	\$ 3,950,991	4,118,694	4,536,101	5,012,810	476,709	10.51%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Accidents	103	153	150	150
Arrests / Charges / Apprehensions	221	213	230	230
Calls for Service	15,055	12,110	14,500	15,000
First Responder Calls	186	188	200	200
Traffic Tickets	844	602	900	900
Training Hours	2,137	3,937	3,000	3,000
Keep Checks	3,301	2,168	2,500	2,500

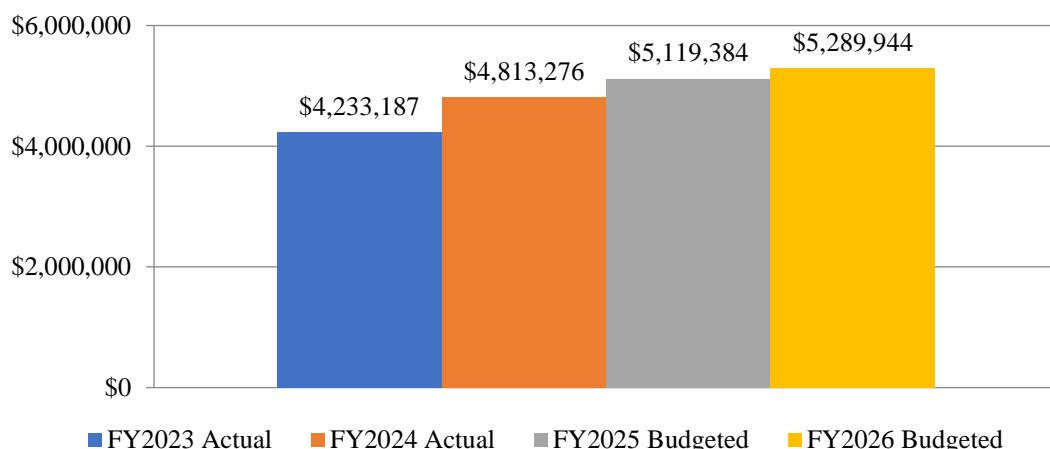
Fire

Provide 24-hour emergency services for fire suppression, ambulance service, rescue service, hazardous materials spills, water rescue, and radiological monitoring. Provide non-emergency services in fire prevention, education and training.

Expenditures Summary

The budget for FY2026 totals \$5,289,944 and includes a 3% base compensation increase plus a 2% step increase for eligible employees on the new public safety pay plan, as well as related benefit increases. There are also increases for utilities for the new Public Safety Building. The decrease in capital outlay is due to one-time start up equipment needed in FY2025 for the change in the administration of the EMS medication exchange program that became effective November 2024.

Proposed and Historical Budget vs. Actual



Goals and Objectives

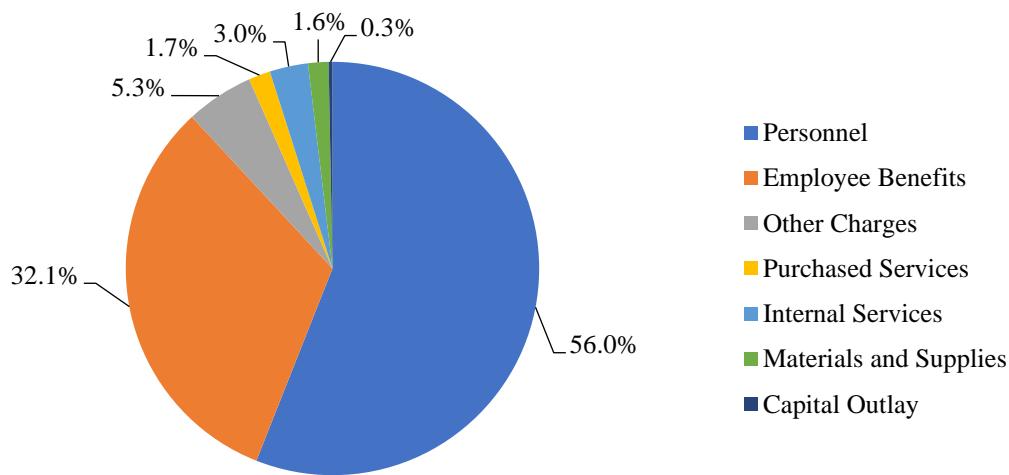
The Fire Department will continue to improve training programs through increased teaching aids, equipment and class offerings. They will continue a basic community education program, as well as refine and improve the fire prevention program. The Fire Department will continue the partnership with the Port of Virginia in assisting with Marine responses throughout the region. They will secure regional fire training opportunities and partner with mutual aid agencies for advanced training throughout the year. The Fire Department will seek out and apply for various grants to assist with training, equipment or programs to enhance the department.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	33.00	36.00	36.00	39.00	36.00

Expenditures by Type

Fire	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 2,438,397	2,634,319	2,850,189	2,963,873	113,684	3.99%
Employee Benefits	1,302,998	1,384,601	1,609,162	1,697,532	88,370	5.49%
Other Charges	262,006	512,538	299,180	278,720	(20,460)	-6.84%
Purchased Services	24,955	37,927	89,705	87,996	(1,709)	-1.91%
Internal Services	166,308	160,723	141,036	156,723	15,687	11.12%
Materials and Supplies	31,389	37,028	78,412	87,250	8,838	11.27%
Capital Outlay	7,134	46,140	51,700	17,850	(33,850)	-65.47%
Total	\$ 4,233,187	4,813,276	5,119,384	5,289,944	170,560	3.33%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Average Fire / EMT calls per month	229	248	266	284
Training Hours	7,558	8,200	8,600	9,202
Fire Truck Dispatched for Calls:				
Structure Fire	14	18	19	20
Brush Fire	3	6	7	8
Miscellaneous Fire	990	1,100	1,200	1,284
Ambulance Dispatched for Calls:				
ALS	638	710	740	791
BLS	535	545	600	642
Miscellaneous	609	600	620	663

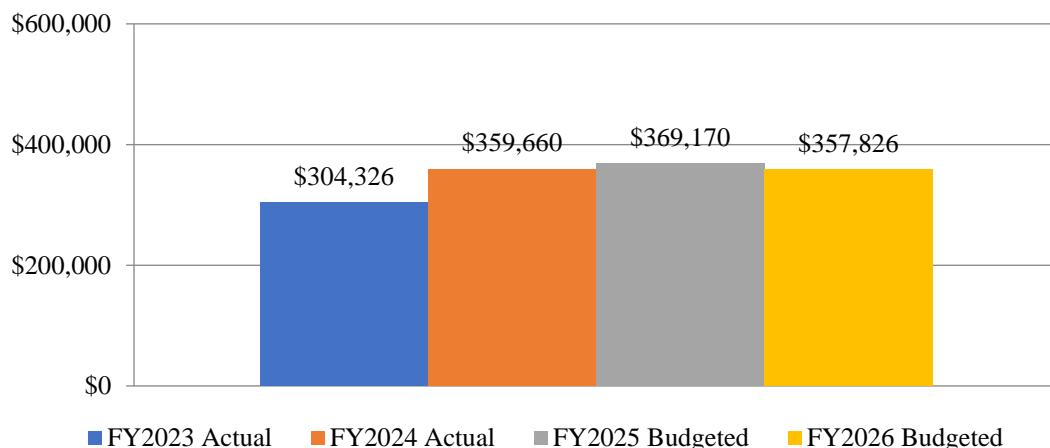
Corrections and Detention

The City of Poquoson shares the Virginia Peninsula Regional Jail with York County, James City County and the City of Williamsburg. Poquoson's financial share is determined by a cost formula based on an overall percentage of use history. The City of Poquoson shares the Merrimac Center Juvenile Detention with 18 other localities. Prior to FY2018, Poquoson's financial share was based on a per diem rate for each day a juvenile offender from Poquoson was incarcerated. Since FY2018, Poquoson's financial share is determined by a cost formula based on overall percentage of use history. Along with jail costs, other rehabilitative and correctional programs are accounted for in this department, which includes Family Group Homes, Project Insight, which is a work program that provides opportunities for young people to perform public service work in lieu of traditional sanctions and other services.

Expenditures Summary

The budget for FY2026 totals \$357,826. The personnel services are administered by Virginia Peninsula Regional Jail and Merrimac Center Juvenile Detention. There was an increase in the Colonial Group Home Commission request due to an increase in the five-year utilization trend for Poquoson. These costs are directly related to the Commission's administration of programs for our youth. Due to a decrease in the five-year average use of services, Merrimac Center Juvenile Detention has a decrease in the FY2026 budget. There was also a decrease in the funding requested for Virginia Peninsula Regional Jail due to additional state revenue being provided.

Proposed and Historical Budget vs. Actual



Expenditures by Type

Corrections and Detention	FY 2023	FY 2024	FY 2025	FY 2026	\$	%
	Actual	Actual	Budgeted	Budgeted	Change	Change
Payment to Joint Operations:						
Virginia Peninsula Regional Jail	\$ 247,337	291,045	322,690	322,090	(600)	-0.19%
Middle Peninsula Juvenile Detention	22,364	30,708	18,240	6,370	(11,870)	-65.08%
Colonial Group Home Commission	34,625	37,907	28,240	29,366	1,126	3.99%
Total	\$ 304,326	359,660	369,170	357,826	(11,344)	-3.07%

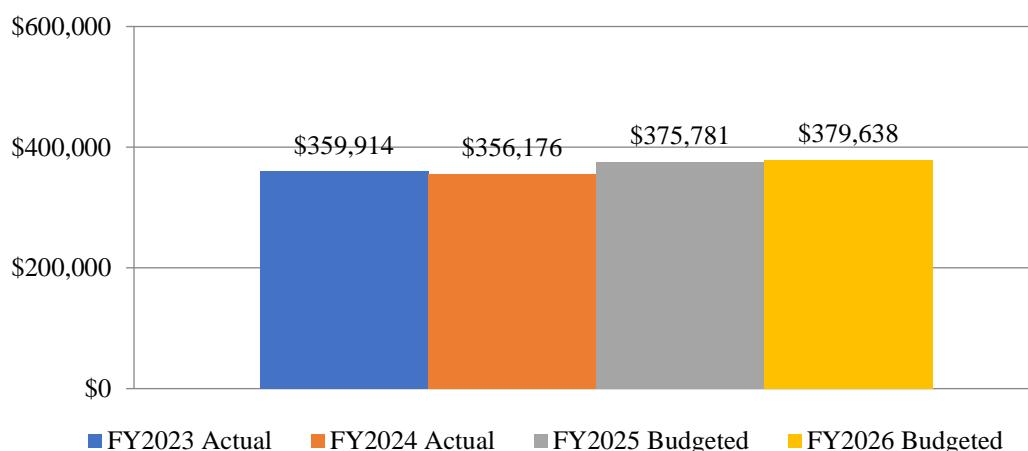
Inspections

The Inspections Department ensures through the inspection process, plan review and issuing permits that construction performed in the City is in accordance with all applicable City ordinances, State Codes and Federal requirements. They provide information to contractors, the public and any interested parties as requested. They issue building, electrical, plumbing, mechanical, sign driveway, land disturbance and demolition permits. The department verifies that contractors are licensed with the City and through the Commonwealth of Virginia. They enforce zoning, building, and property maintenance requirements as specified by the City ordinance and State law. Ensuring through the permit process, that requirements for new and existing structures are in compliance with Federal Emergency Management Agency (FEMA) regulations. They assign addresses to new structures located on existing and newly created lots, review all building plans, address complaints and violations as reported. The department manages the CRS program.

Expenditures Summary

The budget for FY2026 totals \$379,638 and includes a 3% base compensation increase, as well as related benefit increases.

Proposed and Historical Budget vs. Actual



Goals and Objectives

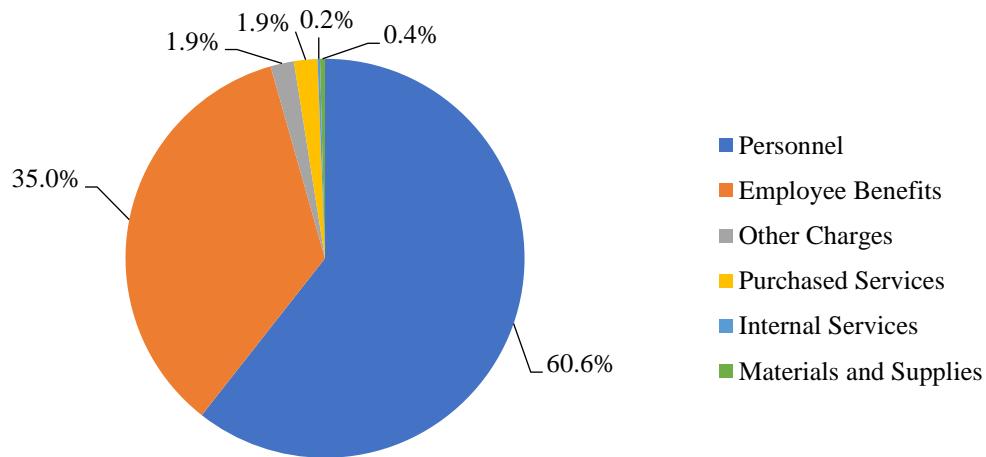
The Inspections Department continues staff education in various building related trades. Provide citizens and contractors with the most updated information on codes and ordinances. Maintain the Class 7 community service rating for flood insurance obtained during FY2024 to increase the percentage of discounts available to citizens. Continue to improve the methods used to obtain compliance with zoning, property maintenance and building codes. Continue to implement and improve the electronic method of field inspections, as well as an electronic database of permit information. Continue working on an update of GIS to include flood zone information and elevation certificates. Prepare and host citizen workshops related to flood issues.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	3.75	3.00	3.00	3.00	3.00

Expenditures by Type

Inspections	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 242,156	215,584	224,245	229,889	5,644	2.52%
Employee Benefits	117,291	123,367	133,802	132,876	(926)	-0.69%
Other Charges	4,772	4,773	6,800	7,200	400	5.88%
Purchased Services	(7,420)	5,730	7,600	7,300	(300)	-3.95%
Internal Services	2,211	2,228	534	623	89	16.67%
Materials and Supplies	904	3,947	2,800	1,750	(1,050)	-37.50%
Capital Outlay	-	547	-	-	-	0.00%
Total	\$ 359,914	356,176	375,781	379,638	3,857	1.03%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Building Permits Issued	550	750	825	800
Certificate of Occupancies Issued	80	145	160	80
Code Violations Cited and Enforced	450	80	89	97
Inspections Performed	1,900	2,250	2,300	2,350
Meetings	260	260	260	275
Plans Reviewed	550	800	900	990
Other Permits (Electrical, Plumbing, Mech, etc)	700	1,400	1,540	1,694
Citizen Workshops on Flood Issues	-	12	13	14

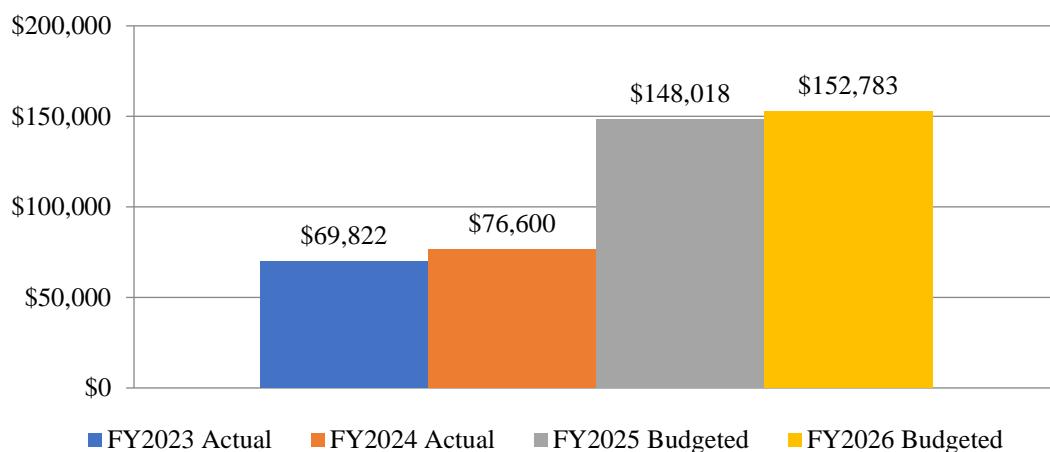
Animal Control

Animal Control is handled by City of Newport News Animal Control. The fully certified officers pick up stray animals, nuisance wildlife, deceased animals on public roadways, and investigate cruelty complaints. The City of Poquoson joined the Peninsula Regional Animal Shelter along with the cities of Newport News, Hampton and York County. Poquoson's financial share of the operating costs is determined by a cost formula based on overall percentage. Debt services share is based on total population at the time of debt issuance and annual installments will be made by the City of Newport News through 2034.

Expenditures Summary

The budget for FY2026 totals \$152,783. The personnel services are administered by the City of Newport News, and the FY2026 budget includes the City's proportional share of the operational and debt service costs for the City of Newport News Animal Control and the Peninsula Regional Animal Shelter.

Proposed and Historical Budget vs. Actual



Goals and Objectives

Animal Control will continue to provide education and intervention when needed to prevent animal suffering and facilitate compatibility between our citizens and the animals in our community. They will train humane officers in mandated animal control, and answer citizen complaints involving wild as well as domestic animals.

Animal Control will enforce animal control and cruelty laws and ordinances of the City of Poquoson, issuing summonses for violations of any applicable ordinances. They will pick up running dogs, feral cats, and dead animals on public roadways and dispose of animals. Animal Control will continue to enforce dog licensing laws which require proof of rabies, one of the most effective means of limiting the number of rabies cases.

Expenditures by Type

Animal Control	FY 2023	FY 2024	FY 2025	FY 2026	\$	%
	Actual	Actual	Budgeted	Budgeted	Change	Change
Other Charges:						
Newport News Animal Control	\$ 34,186	38,940	40,764	47,739	6,975	17.11%
Regional Animal Shelter	35,636	37,660	107,254	105,044	(2,210)	-2.06%
Total	\$ 69,822	76,600	148,018	152,783	4,765	3.22%

Program Measures

	FY 2023	FY 2024	FY 2025	FY 2026
	Actual	Actual	Estimated	Estimated
Calls for Service	108	130	109	109
Written Warnings	13	23	18	18
Summons / Warrants	1	3	2	2
Animal Cruelty / Welfare	12	19	16	16
Calls for Stray Animals	37	27	31	31
Calls for Animal Bites	8	15	10	10
Calls for Sick / Injured Animals	23	27	17	17
Calls for Nuisance Wildlife	22	25	21	21
Other Calls	28	42	29	29
Dogs Impounded	9	23	13	13
Cats Impounded	1	4	6	6
Other Impounded Animals	1	6	5	5
Wildlife Impounded	11	19	11	11

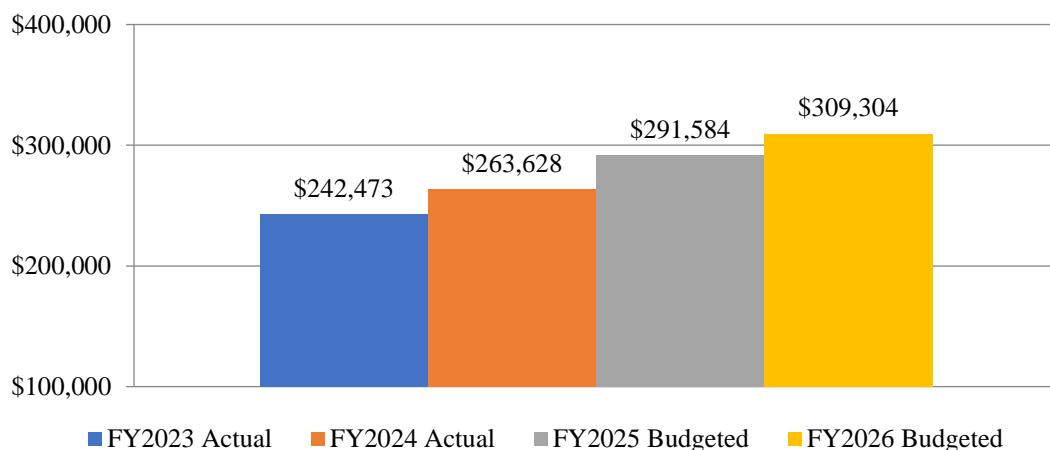
Engineering

The Engineering Department provides or oversees all engineering services required by the City of Poquoson. They lead all City efforts on road improvement projects, and liaise with VDOT and other communities on joint road projects. They direct the City's storm water permits; lead development of new environmental programs, provide engineering and technical services required for new permits. They develop, lead design and construction of infrastructure projects, with an emphasis on storm water, public right-of-way, and flood control projects. The department manages special projects, studies and analyses related to the City's infrastructure. Leading development and implementation of the Chesapeake Bay TMDL program. They provide technical reviews/guidance on Consent Order work. They provide solutions for drainage, transportation, environmental and other civil engineering issues. Engineering represents the City in negotiations and meetings with various Federal and State agencies on technical issue. They provide technical input to DEQ during its development of a Bacterial TMDL implantation plan, and handle all storm water issues within the City. This includes response to citizen concerns, flood mitigation, water quality issues, and water-related environmental programs. Engineering sets all development and Erosion and Sediment Control bond amounts for all commercial and residential development in the City.

Expenditures Summary

The budget for FY2026 totals \$309,304 and includes a 3% base compensation increase, as well as related benefit increases.

Proposed and Historical Budget vs. Actual



Goals and Objectives

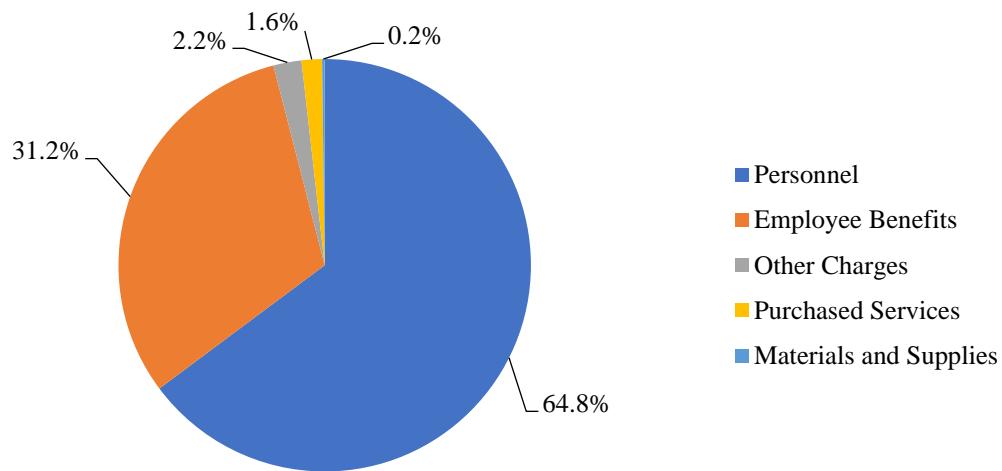
The Engineering Department will work closely with VDOT on the Wythe Creek Road Widening project as construction continues. They review all developmental submittals for compliance with local, state and federal laws, and provide professional engineering oversight in accordance with state requirements. This department also provides engineering/technical information required for the Comprehensive Plan, Multi-Hazard Mitigation Plan, and the Emergency Operations Center.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	2.00	2.00	2.00	2.00	2.00

Expenditures by Type

Engineering	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 163,502	179,475	188,301	201,597	13,296	7.06%
Employee Benefits	68,472	78,578	90,633	97,107	6,474	7.14%
Other Charges	4,778	4,095	5,800	7,000	1,200	20.69%
Purchased Services	5,121	1,100	6,350	3,000	(3,350)	-52.76%
Materials and Supplies	600	380	500	600	100	20.00%
Total	\$ 242,473	263,628	291,584	309,304	17,720	6.08%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Right of Way Permits Issued	62	97	100	110
Major Capital Projects	6	7	7	7
Citywide Permits Reissued / Maintained	2	2	2	2
Request for Engineering Information	215	300	300	350

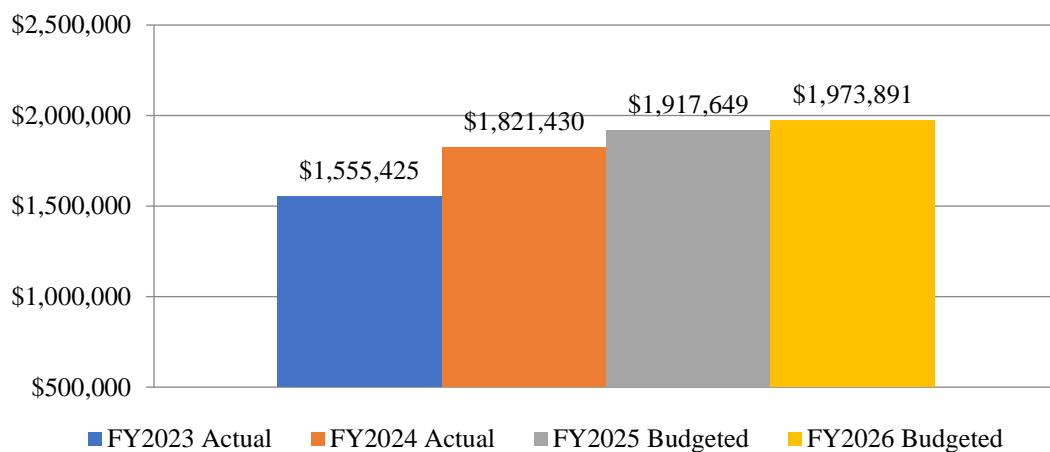
Public Works

Public Works constructs and maintains all City streets to Virginia Department of Transportation (VDOT) standards. They keep roadside drainage ditches clean to eliminate standing water and reduce pavement failure. They maintain road shoulders by placing stone along the edge of pavement, mowing grass and policing litter. They maintain traffic control devices, traffic lines, traffic lights, and traffic signs. Public Works provide safe travel for the public on City right-of-way, and oversee the maintenance of parks and athletic fields. Public Works continue to upgrade roadside and outfall drainage systems throughout the City in accordance with the City's drainage studies. They review new construction plans and perform inspections of all new infrastructure work. Maintaining 39 acres of recreation, park, and municipal property, including 7 baseball/softball fields, 7 multi-use fields, 3 tennis courts, 3 playgrounds, 5 picnic areas, Oxford Run Trail, and the City's public boat launching facilities. They assist with sewer repairs and installations.

Expenditures Summary

The budget for FY2026 totals \$1,973,891 and includes a 3% base compensation increase, as well as related benefit increases. Other increases include right of way maintenance costs.

Proposed and Historical Budget vs. Actual



Goals and Objectives

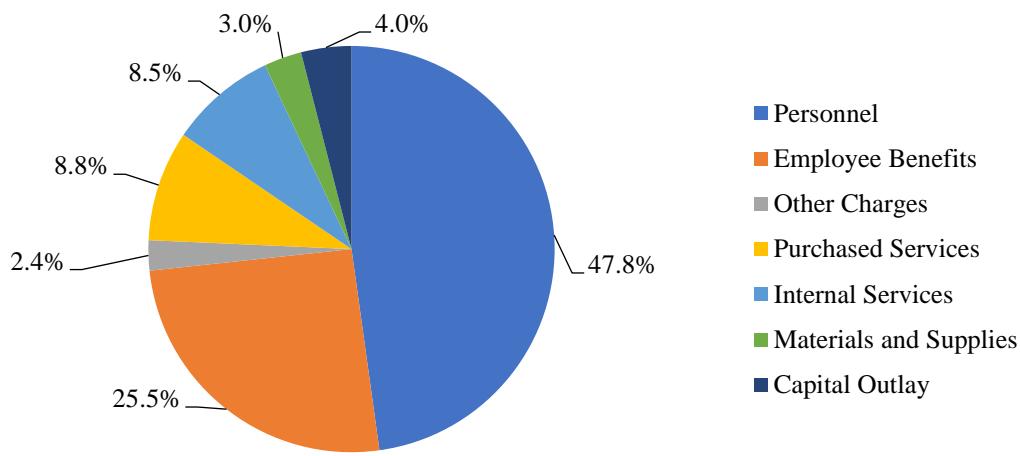
Public Works oversees the construction and maintenance of all City streets in accordance with VDOT standards to ensure safe vehicle operation for all motorists. They maintain all City public right-of-way to create a positive City image and promote safety and environmental quality throughout the City. Maintenance includes cleaning/sweeping the City on a regular basis, mowing grass and median during the normal growing season, beautification and maintenance of landscaped areas. Public Works plans to schedule at least one in-house training session per month to train employees in more versatility in infrastructure maintenance, "on and off the job" safety issues, and teach correct procedures for performance of specific tasks. Public Works will continue to complete 100% of all works orders within the same week as requested. Public Works will conduct regular maintenance to keep all equipment in good running order. They will remove any and all storm (snow/hurricane) debris in a timely and safe manner.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	17.50	17.50	17.50	17.50	17.50

Expenditures by Type

Public Works	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 730,146	715,604	890,788	944,039	53,251	5.98%
Employee Benefits	389,641	392,172	525,880	504,926	(20,954)	-3.98%
Other Charges	38,747	52,954	43,995	47,650	3,655	8.31%
Purchased Services	112,175	172,496	171,950	172,270	320	0.19%
Internal Services	158,049	169,250	149,393	167,363	17,970	12.03%
Materials and Supplies	43,810	44,972	57,143	59,143	2,000	3.50%
Capital Outlay	82,857	273,982	78,500	78,500	-	0.00%
Total	\$ 1,555,425	1,821,430	1,917,649	1,973,891	56,242	2.93%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Asphalt Material Used for Patching (tons)	34	26	35	20
Asphalt Paving Material Applied (tons)	8,175	3,468	4,488	6,187
Delivery of Cases of Green Bags	72	88	75	75
Installation of New Drainage Pipe (feet)	-	24	-	12
Stone Used for Street Maintenance (tons)	13,274	8,568	13,300	9,590
Regrading of Roadside Ditches (feet)	515	174	150	160
Work Orders Completed	39	57	55	55
Driveways	23	103	80	80
Curb and Gutter (feet)	405	238	800	800
Storm Pipe and Drainage Ditches (feet)	10,550	-	-	-
New Street Construction (feet)	20,298	2,957	1,200	4,200

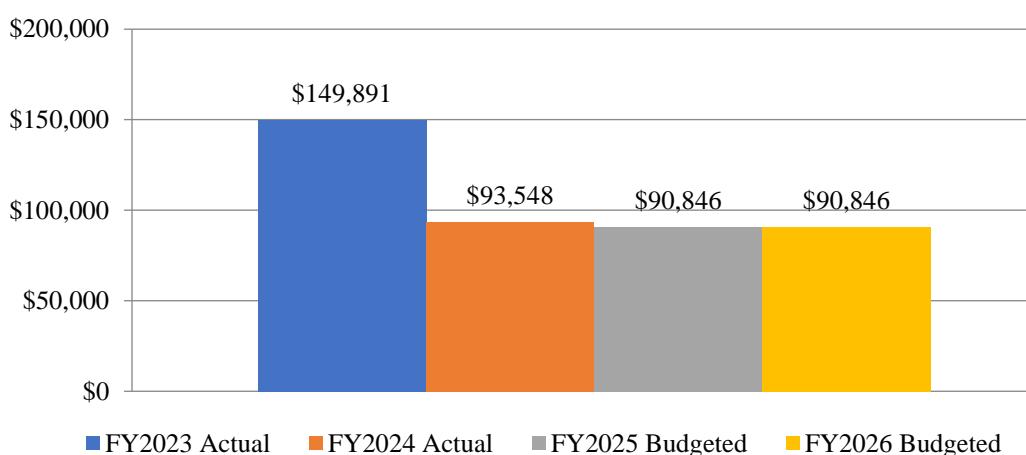
Street Lights

This department contains funding for electricity for existing streetlights and the installation of new streetlights. Developers pay the cost of installing streetlights in new subdivisions. The City is responsible for paying the cost of installing new streetlights in already developed areas and replacing dilapidated lights with new efficient lights through Dominion Virginia Power.

Expenditures Summary

The budget for FY2026 totals \$90,846. The oversight of street lights resides with the Inspections Department and personnel services are reflected in that department.

Proposed and Historical Budget vs. Actual

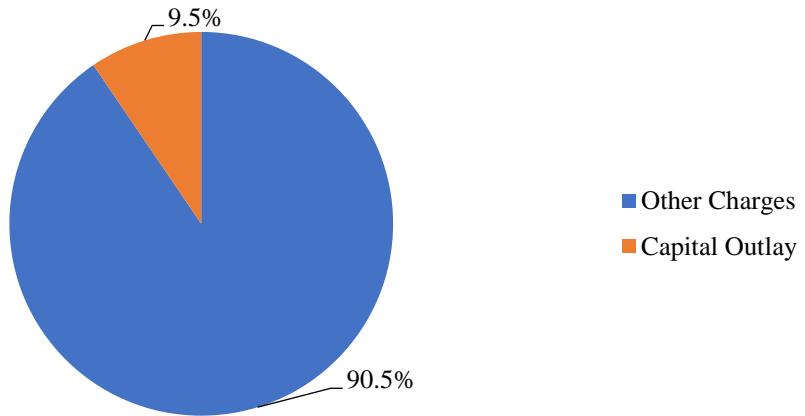


Goals and Objectives

The department provides electricity for the City streetlights in order to maintain a safe community. The City is working with Dominion Energy on a project to upgrade streetlights to LED. On January 27, 2020, City Council seeded the initial \$18,000 through Ordinance Number 1636. The realized savings from the program have been invested each year to fund future replacement phases. The City replaced approximately 120 "enclosed" lamps in FY2024 and will replace additional 49 in FY2025. With the anticipation to complete the remaining "enclosed" lamp conversion of 20 in FY2026 if the budget will allow. After completing the conversion of the 189 "enclosed" lamps, the City will see an annual saving of \$4,018. It will take over 5 years to recoup the cost of the conversion project for the above lamps. Once the "enclosed" lamps are converted, the City will determine the next phase to convert the 123 "colonial" lamps that are remaining. The Legacy of Poquoson through the agreed upon master plan provided funding to the City to install 76 street lights throughout the development.

Expenditures by Type

Street Lights	FY 2023	FY 2024	FY 2025	FY 2026	\$	%
	Actual	Actual	Budgeted	Budgeted	Change	Change
Other Charges	\$ 77,676	79,304	82,200	82,200	-	0.00%
Capital Outlay	\$ 72,215	14,244	8,646	8,646	-	0.00%
Total	\$ 149,891	93,548	90,846	90,846	-	0.00%

**Program Measures**

	FY 2023	FY 2024	FY 2025	FY 2026
	Actual	Actual	Estimated	Estimated
New Lights Installed:				
Developer Installed	19	-	76	10
City Installed	-	-	1	1
Replacement to LED	-	120	49	20

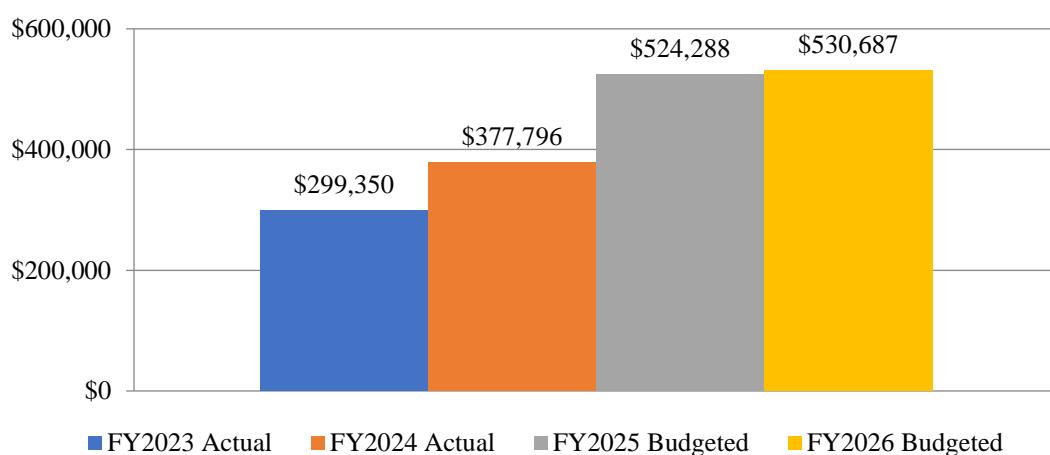
Facilities

A portion of this department's cost is supported by the Poquoson City Public Schools' administration's rent of \$26,300 per year. Operating items include general liability and property insurance; building heating, ventilation, and air conditioning repairs; and janitorial services. They maintain the appearance of the City properties and address maintenance needs every day as they become apparent. They maintain and repair facilities, and are on call 24/7 for emergency operations.

Expenditures Summary

The budget for FY2026 totals \$530,687 and includes a 3% base compensation increase, as well as related benefit increases. The oversight of Facilities resides with the Utilities Department.

Proposed and Historical Budget vs. Actual



Goals and Objectives

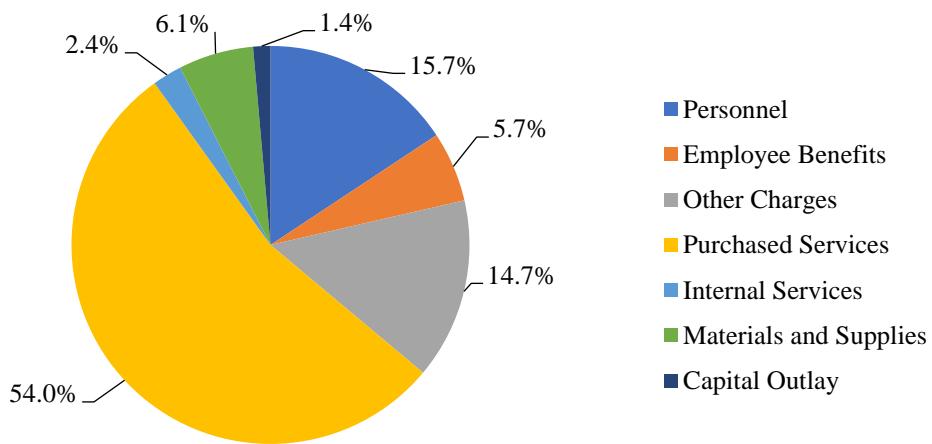
The Facilities Department will maintain all City owned buildings and work to improve costs of building operations and expenditures. They will work with other departments to improve all City owned facilities.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	1.00	1.75	1.75	1.75	1.75

Expenditures by Type

Facilities	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 32,205	102,938	81,759	83,400	1,641	2.01%
Employee Benefits	11,761	27,378	30,405	30,141	(264)	-0.87%
Other Charges	54,269	59,423	75,400	77,900	2,500	3.32%
Purchased Services	166,823	155,007	286,400	286,650	250	0.09%
Internal Services	6,032	13,349	10,674	12,946	2,272	21.29%
Materials and Supplies	24,434	15,705	32,150	32,150	-	0.00%
Capital Outlay	3,826	3,996	7,500	7,500	-	0.00%
Total	\$ 299,350	377,796	524,288	530,687	6,399	1.22%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Facilities Maintained	7	8	9	9

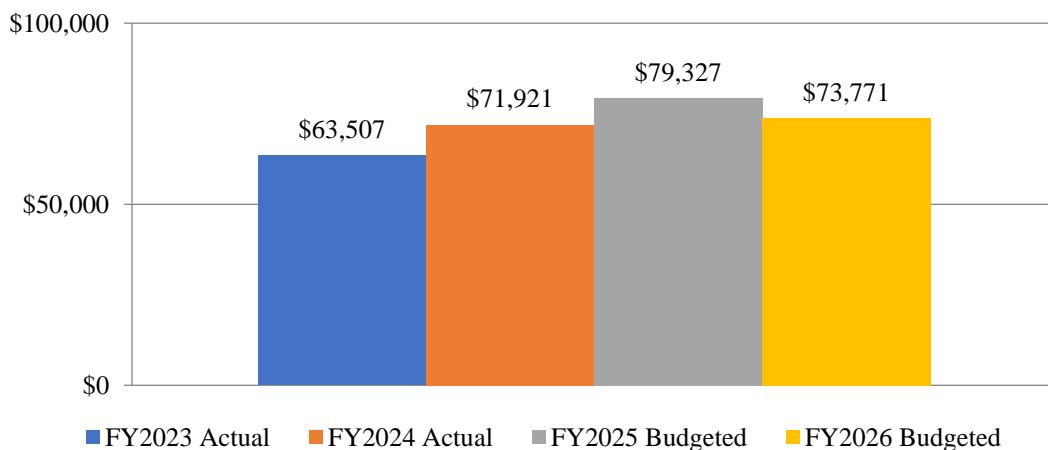
Health Department

The Health Department provides the City's contribution to the Poquoson Health Department, which is an organizational unit of the Peninsula Health District. The Peninsula Health District is funded through a cooperative agreement between its five local governments and the Commonwealth of Virginia. The localities include Poquoson, Newport News, York County, Williamsburg and James City County. The City's minimum "match" requirement is 45% of the City's portion of the total Peninsula Health District budget. The total Health Department budget for Poquoson is \$163,564. The required "match" is estimated at \$73,771 based on receiving funds from the state and other sources. This also takes into account the anticipated salary increases for state employees in the as yet to be adopted state budget. The total Health District's budget for FY2026 is \$9,123,936. The Health Department offers a wide range of preventative, diagnostic and rehabilitative medical and health services to City residents. Clinics are held regularly for family planning, immunization, pediatrics, and senior citizens medical exams, among others. Nurses provide home care for homebound patients. Sanitarians inspect all eating establishments, train food handlers, supervise the installation and proper operation of septic tanks, inspect housing, and provide rabies surveillance for all animal bites.

Expenditures Summary

The budget for FY2026 totals \$73,771, which is a slight decrease from FY2025 due to the state funding the Health Department receives. The personnel services are administered by the Health Department.

Proposed and Historical Budget vs. Actual



Goals and Objectives

The City will continue to provide funding for the regional Public Health Department's services.

Expenditures by Type

Health Department	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Other Charges	\$ 63,507	71,921	79,327	73,771	(5,556)	-7.00%

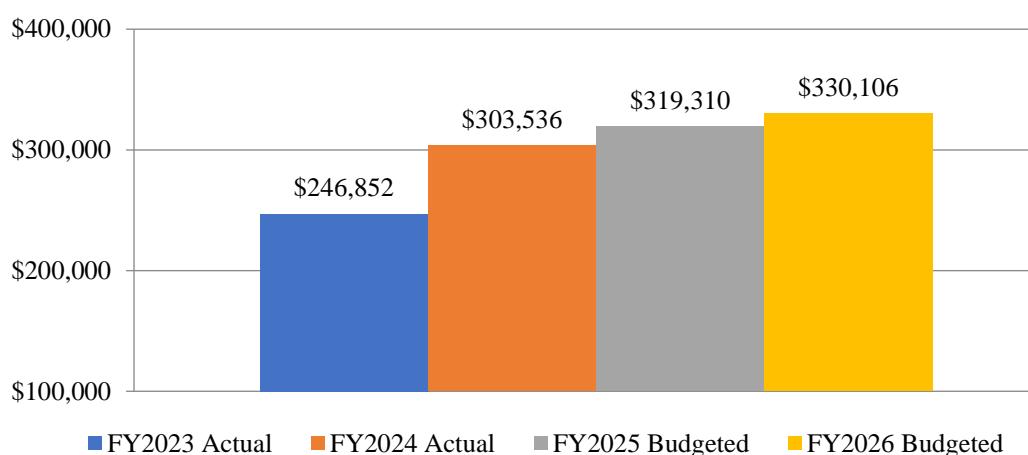
Mosquito and Drainage

Provide good drainage in the City's rights-of-way to improve pavement life. Eliminate or treat standing water to reduce mosquito breeding. Keep outfall drainage ditches clean to improve water runoff from streets and reduce property flooding. Educate employees through in-house training. Maintain 26.22 miles of outfall ditches and cement swales as part of regular maintenance of storm systems.

Expenditures Summary

The budget for FY2026 totals \$330,106 and includes a 3% base compensation increase, as well as related benefit increases.

Proposed and Historical Budget vs. Actual



Goals and Objectives

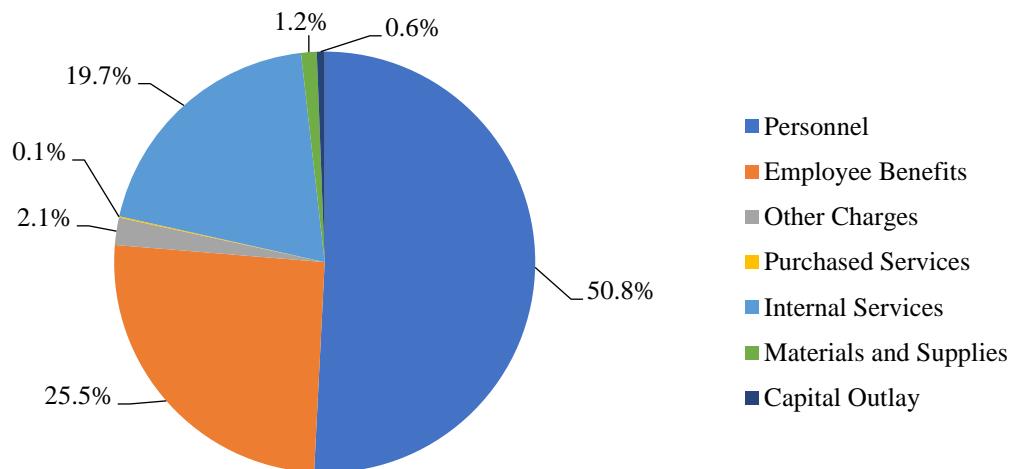
Mosquito and Drainage will obtain drainage easements in areas where outfall ditches need to be upgraded. They will educate the public on mosquito prevention and have property owners remove obstructions from drainage easements to allow proper cleaning with City equipment. This Department will improve drainage maintenance and mosquito prevention with additional manpower and equipment, as well as work with the City Engineer on drainage projects. They clean the outfall ditches throughout the City on a preventative maintenance schedule, and pipe in outfall ditches when necessary. Mosquito and Drainage will also larvicide and treat drop inlets and catch basins in the City for mosquito control.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	3.75	3.75	3.75	3.75	3.75

Expenditures by Type

Mosquito and Drainage	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 127,816	152,495	159,040	167,560	8,520	5.36%
Employee Benefits	48,798	59,545	90,347	84,031	(6,316)	-6.99%
Other Charges	5,813	5,884	6,775	6,800	25	0.37%
Purchased Services	155	561	300	300	-	0.00%
Internal Services	60,455	80,290	54,398	65,165	10,767	19.79%
Materials and Supplies	1,917	2,558	6,050	3,850	(2,200)	-36.36%
Capital Outlay	1,898	2,203	2,400	2,400	-	0.00%
Total	\$ 246,852	303,536	319,310	330,106	10,796	3.38%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Cleaning Outfall Ditches by Hand (feet)	60,000	134,550	62,000	61,000
Cleaning Outfall Ditches with Equipment (feet)	910	610	1,000	950
Drainage Structures Maintained	860	895	925	920
Weed Killer Applied (gallons)	22	23	24	24

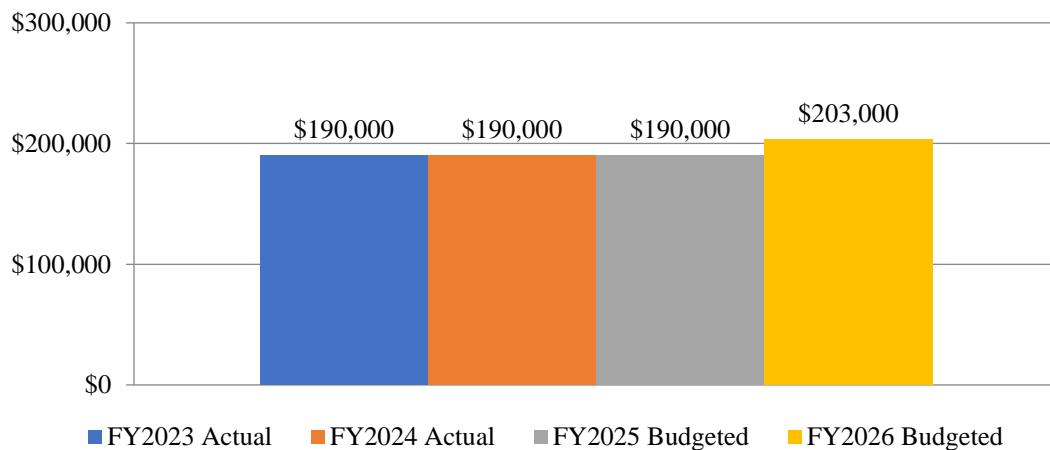
Mental Health

This Department provides the City's contribution to Colonial Behavioral Health, a regional agency that provides overall administration and coordination of mental health, mental retardation and substance abuse programs for the City of Poquoson, City of Williamsburg, York County and James City County. Their services include psychiatric evaluation and treatment, individual and group counseling, drug abuse treatment, vocational workshops for the developmentally disabled, special education and rehabilitation programs for handicapped children. Local funding is shared according to a predetermined formula. Funding for administrative expenses is based on 20% of the City's population and 80% of current utilization figures. The headquarters for Colonial Behavioral Health is located in Williamsburg.

Expenditures Summary

The budget for FY2026 totals \$203,000. This budget is for the City's contribution to shared mental health services in our region. The contribution is based on a predetermined formula based on population and utilization of services.

Proposed and Historical Budget vs. Actual



Goals and Objectives

The City provides funding to Colonial Behavioral Health for Poquoson's share of needed programming for mental health, mental retardation, or substance abuse. The total budget for Colonial Behavioral Health is \$24,150,000 with the local share of \$4,147,000. Poquoson's share is 5% or \$203,000; James City County's share is 57% or \$2,345,000; York County's share is 30% or \$1,249,000 and Williamsburg's share is 8% or \$350,000.

Expenditures by Type

Mental Health	FY 2023	FY 2024	FY 2025	FY 2026	\$	%
	Actual	Actual	Budgeted	Budgeted	Change	Change
Other Charges	\$ 190,000	190,000	190,000	203,000	13,000	6.84%

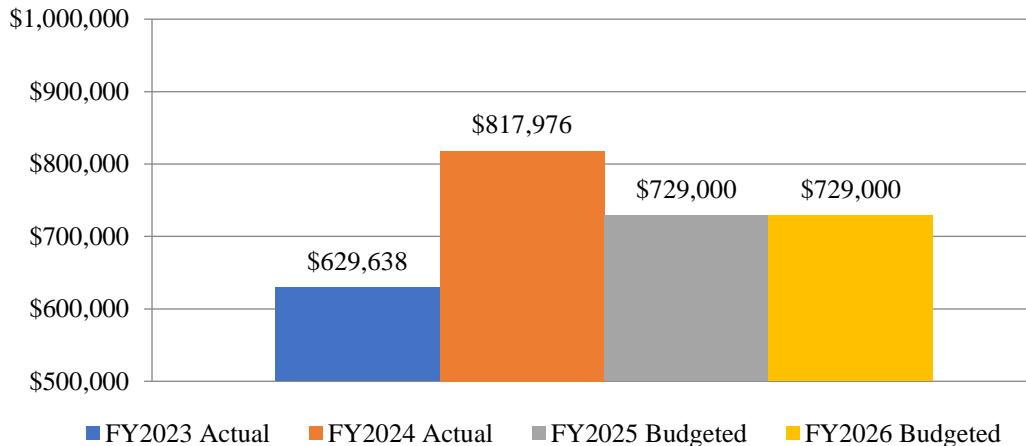
Welfare/Social Services

This department funds the York/Poquoson Social Services and Children's Services Act (CSA).

Expenditures Summary

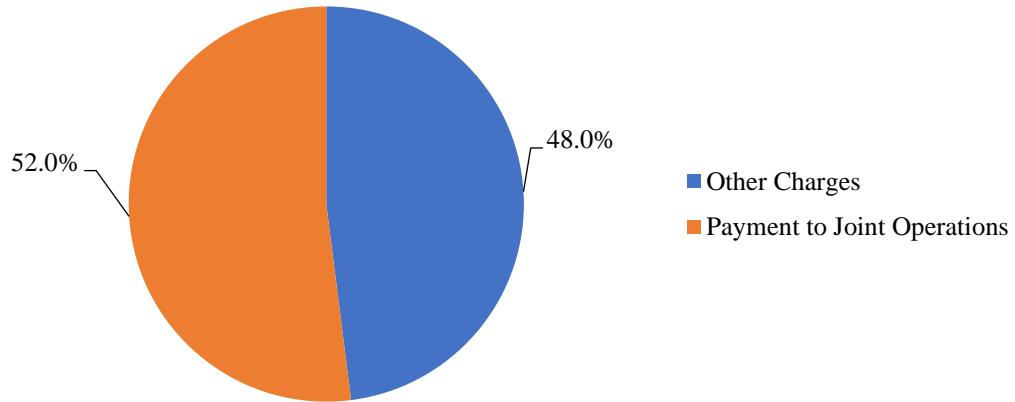
The budget for FY2026 totals \$729,000, which remains flat from the prior year. Funding is based on utilization of services and program methodology for shared services within the region.

Proposed and Historical Budget vs. Actual



Expenditures by Type

Welfare/Social Services	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Other Charges	\$ 302,574	486,641	350,000	350,000	-	0.00%
Payment to Joint Operations	327,064	331,335	379,000	379,000	-	0.00%
Total	\$ 629,638	817,976	729,000	729,000	-	0.00%



Budget Detail

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted
Children's Services Act	\$ 302,574	486,641	350,000	350,000
York/Poquoson Social Services	327,064	331,335	379,000	379,000
Total	\$ 629,638	817,976	729,000	729,000

Contribution to Poquoson City Public Schools

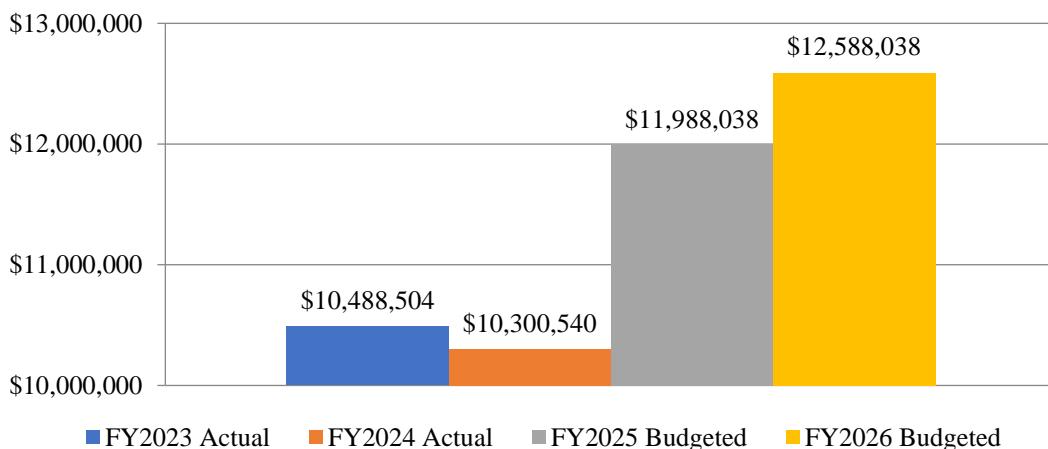
City Council appoints a seven-member School Board to administer the Poquoson City Public School system. The School Board is the policy making body for the school system and appoints the School Superintendent, who is responsible for the day-to-day administration of the schools. Funding for the operation of the schools and administration is shared by the State and the City with some limited assistance from the Federal government. The State's funding is determined by a formula based on the average daily membership (ADM) of students and Poquoson's local composite index (LCI) which measures a locality's ability to pay.

Expenditures Summary

The budget for FY2026 totals \$12,588,038, which is an increase of \$600,000 over the FY2025 Amended Budget. The FY2025 Budget was amended on December 9, 2024 due to the Poquoson City Public Schools receiving additional state revenue once the final state budget was passed. This does not fully fund the Poquoson City Public Schools' budget request of \$1,487,697 due to fiscal constraints of the City. The Schools' Budget is based on the Governor's Budget, which included a 3% compensation increase for state supported positions. The Schools also included pay adjustments based on a compensation study that was completed during FY2025.

As in prior years, if the Schools have unexpended transfers at the end of the year that are returned to the City, the funding can subsequently be re-appropriated to the Schools in the upcoming fiscal year by City Council.

Proposed and Historical Budget vs. Actual



Expenditures by Type

Contribution to PCPS	FY 2023	FY 2024	FY 2025	FY 2026	\$	%
	Actual	Actual	Budgeted	Budgeted	Change	Change
School Transfers	\$ 10,488,504	10,300,540	11,988,038	12,588,038	600,000	5.00%

Budget Detail

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted
Budgeted School Contribution	\$ 11,059,602	11,759,390	12,268,128	12,588,038
Reappropriation	697,979	1,269,077	(280,090)	-
Return of Funds *	(1,269,077)	(2,727,927)	-	-
Total	\$ 10,488,504	10,300,540	11,988,038	12,588,038

* Any unspent local funds at the end of the fiscal year are returned to the City, and may be considered for reappropriation in the following fiscal year.

For FY2023, \$697,979 was reappropriated as a School Transfer for the Schools to utilize for a one-time bonus, provide interior and exterior security enhancements, provide monitors on primary school bus runs, and install additional adaptive equipment at the primary and elementary schools. There was an additional \$161,000 reappropriated as a Transfer to the Capital Projects Fund for a school bus replacement.

For FY2024, \$1,269,077 was reappropriated as a School Transfer for the Schools to utilize for curriculum, teacher stipends, replace the fire alarm at the primary school, supplant reduced State funding due to a calculation error related to the Grocery Tax Hold Harmless revenue, and offset a PCPS anticipated State revenue shortfall.

For FY2025, a reduction in the School Transfer of \$280,090 was appropriated in December 2024 due to the Schools receiving additional State funds in the amount of \$560,181 once the final State budget was approved. The Schools retained the remaining \$280,091 in additional State funds to provide a one-time bonus for School employees.

Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Local Composite Index ⁽¹⁾	0.3641	0.3641	0.3466	0.3466
Average Daily Membership ⁽²⁾	2,040	1,996	2,057	2,057
Total Operating Expenditures ⁽³⁾	\$27,933,726	\$28,975,505	\$30,572,840	\$32,621,087

(1) Every biennium, the State calculates a Local Composite Index (LCI) that outlines the ability of a locality to pay for public education. As the LCI decreases, State funding increases, which typically results in a decrease to the local contribution needed to support schools. LCI data presented is based on the Virginia Department of Education (VDOE) Composite Index of Local Ability-to Pay.

(2) Average Daily Membership (ADM) is the K-12 student enrollment count used by the State to determine the required local share. The ADM presented for FY2023 and FY2024 is based on the actual ADM presented on the VDOE Direct Aid Payment Budget Calculation Templates and Planning Tools. The ADM presented for FY2025 is based on the March 2025 estimated provided by Poquoson City Public Schools. The ADM presented for FY2026 is based on the ADM used by Poquoson City Public Schools in the School Board Budget approved on March 18, 2025.

(3) Total Operating Expenditures for FY2023 and FY2024 can be found in the City's Annual Comprehensive Financial Report, Schedule 2 for Component Unit-Poquoson City Public Schools, General Fund. The FY2024 and FY2025 Estimated is based on the School Board Budget approved on March 18, 2025.

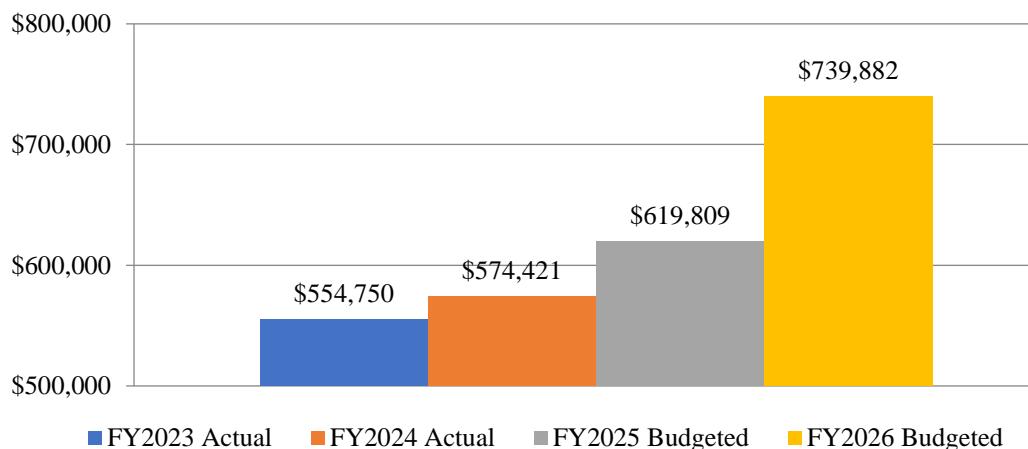
Parks and Recreation - Programs

Parks and Recreation plans, coordinates, promotes, organizes, and administers a variety of program activities and special functions to meet the needs of Poquoson citizens. The department coordinates departmental, school, and independent community league athletic activities at parks, recreational facilities, and school facilities. They provide support and location for operation of the Peninsula Agency on Aging's senior adult programs, and support civic initiatives and activities. The department serves as the production house for the Island Tide recreational magazine, which is published twice a year along with a summer activities/camp guide. This guide communicates City information and events to citizens. The department is responsible for coordinating leisure and athletic programs, providing interconnectivity between civic groups, churches and community groups who utilize City Facilities for their use, special events, sports or other needs.

Expenditures Summary

The budget for FY2026 totals \$739,882 and includes a 3% base compensation increase, as well as related benefit increases. One position was transferred to this department from Special Events in FY2025.

Proposed and Historical Budget vs. Actual



Goals and Objectives

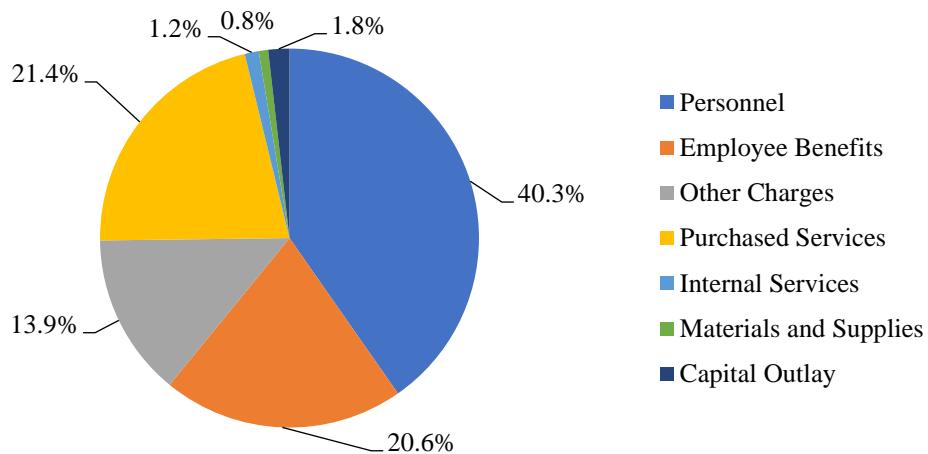
Parks and Recreation provides the City of Poquoson a system of parks, recreation and leisure services that are of the highest quality and most beneficial to improving the quality of life for its citizens. The department follows the Parks and Recreation portion of the City's Comprehensive Plan to reflect current changes and citizens' needs. The department continues to plan for needed recreational facilities within the Constrained Capital Improvements Plan and maintain existing facilities from the Master Infrastructure plan. The department engages with Poquoson civic groups in a mutual support agreement to assist with facility needs, while providing meeting space at the Community Center, and supporting groups with field space. Many of these civic and community projects help share resources to improve life for residents by improving park areas and other City areas.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	3.80	3.80	4.80	4.80	4.80

Expenditures by Type

Parks and Rec Programs	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 227,401	245,341	267,521	298,181	30,660	11.46%
Employee Benefits	120,030	125,175	133,239	155,719	22,480	16.87%
Other Charges	60,470	68,360	67,250	105,150	37,900	56.36%
Purchased Services	138,022	130,858	139,100	162,600	23,500	16.89%
Internal Services	3,625	745	6,399	9,432	3,033	47.40%
Materials and Supplies	3,952	2,104	5,300	4,300	(1,000)	-18.87%
Capital Outlay	1,250	1,838	1,000	4,500	3,500	350.00%
Total	\$ 554,750	574,421	619,809	739,882	120,073	19.37%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Adult Athletic Leagues	220	228	240	240
Adult Instructional Classes	55	48	60	60
Senior Center (Mature Adults)	540	680	700	720
Youth Athletic Leagues	1,405	1,375	1,475	1,475
Youth Instructional Classes	1,079	950	975	1,100

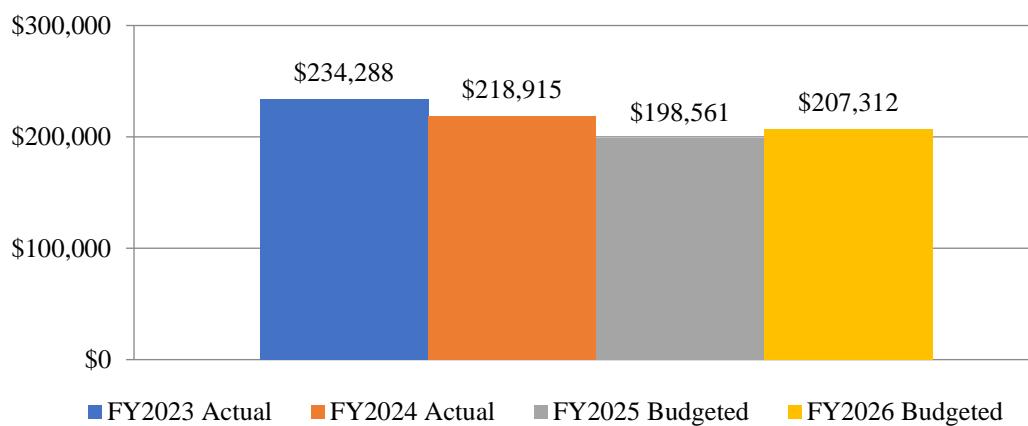
Parks and Recreation - Pool

This department provides nationally accredited and quality swimming instruction for both City and regional youth, to include training instructors in quality swimming instructional standards. Due to the operation of the Barracuda summer swim team, the department refines and develops the swimming ability of City youth by providing competitive swimming opportunities as part of participation in the summer team. The program provides a social, athletic, and competitive summer swimming experience as part of the participation in the Greater Peninsula Swim Association. The department is responsible for providing children and adults with water safety instruction and education regarding safety around pools and other bodies of water, and the safe use of life jackets in accordance with Nationally Accredited Safety Standards. The department also provides seasonal recreational swimming opportunities to Poquoson residents, non-residents, and area day care centers in a safe, lifeguard monitored pool environment.

Expenditures Summary

The budget for FY2026 totals \$207,312 and includes a 3% base compensation increase, as well as related benefit increases.

Proposed and Historical Budget vs. Actual



Goals and Objectives

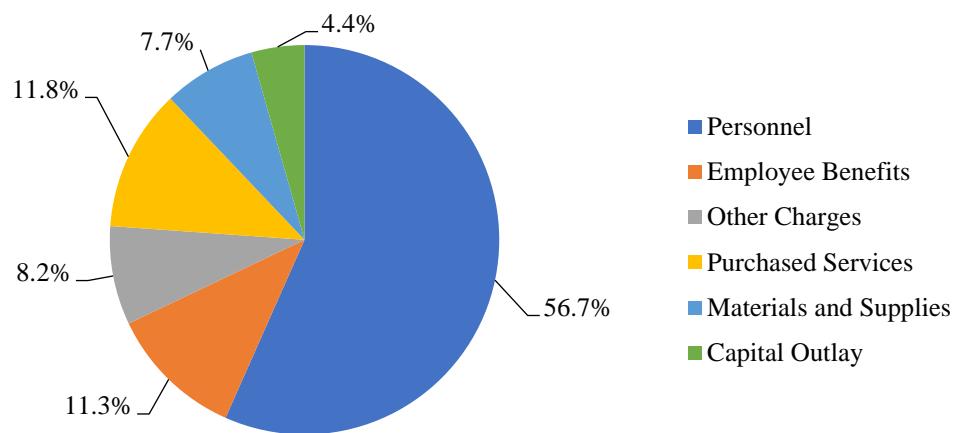
Parks and Recreation Pool provides a comprehensive seasonal aquatics program for citizens. They continue to provide swimming lessons, aquatic safety classes for citizens, and opportunities for youth to participate in a competitive swimming program. The Department reviews the Pool Operation Procedures Manual to ensure all safety and industry safety standards are met. During FY2024, the facility underwent a major renovation to fix nine leaks, skimmer lines, tile and coping stone replacement and whitecoat replacement. This renovation has served the facility well adding to the longevity and sustainability of the pool, while also helping to lessen water usage, improve chemical management and overall patron satisfaction at the facility. They represent the City at a regional recreation level in the area of swimming.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	5.00	5.00	5.00	5.00	5.00

Expenditures by Type

Parks and Rec Pool	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 113,590	114,974	104,206	117,475	13,269	12.73%
Employee Benefits	28,089	29,375	30,430	23,337	(7,093)	-23.31%
Other Charges	14,539	16,315	16,825	16,900	75	0.45%
Purchased Services	22,157	33,251	21,500	24,500	3,000	13.95%
Materials and Supplies	14,378	16,377	15,600	15,900	300	1.92%
Capital Outlay	41,535	8,623	10,000	9,200	(800)	-8.00%
Total	\$ 234,288	218,915	198,561	207,312	8,751	4.41%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Daily Gate Admissions	3,350	3,350	3,200	3,200
Season Pass Admissions	290	300	295	300
Swimming Lessons	478	415	415	410
Swim Teams - Combined	110	110	105	105

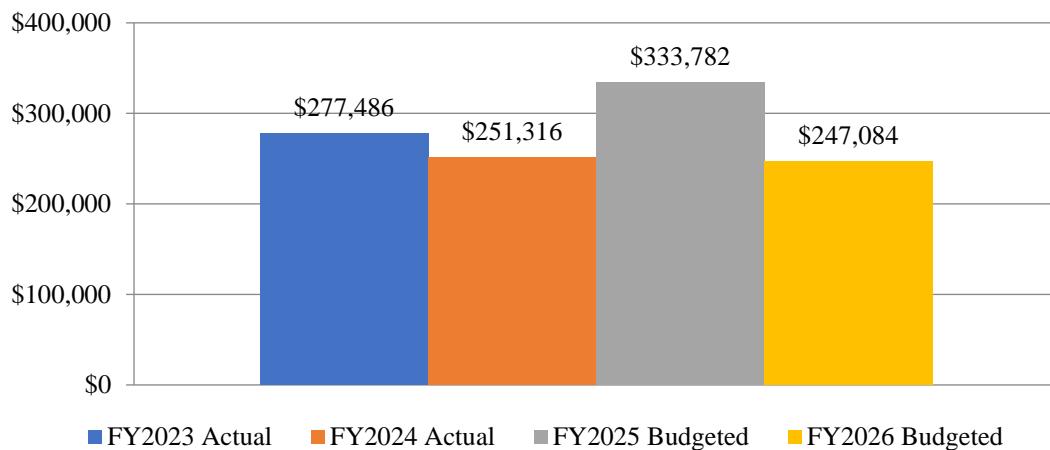
Special Events

This division of Parks and Recreation plans, organizes and produces special events throughout the year, the largest being the Seafood Festival. This year's budget submission includes support for the Poquoson Easter Egg Hunt, a Mid-June 2026 event, and support for the Annual City Hall Christmas Tree Lighting and Holiday Parade. This division is responsible for maintaining a calendar of special events throughout the City with points of contact for each, and providing leadership and direction to the Poquoson Seafood Festival Committee, along with the various activities in support of the Seafood Festival, including the Seafood Festival Workboat races. Functions include coordination among civic and community groups in support of special events, contractors, procurements, and service providers to produce quality large-scale community events as funded. In coordination with recreation, the community channel is updated, and community announcements are promoted.

Expenditures Summary

The budget for FY2026 totals \$247,084, which is a \$66,698 decrease from the prior year. This decrease is primarily related to transferring one position to the Parks and Recreation Programs division.

Proposed and Historical Budget vs. Actual



Goals and Objectives

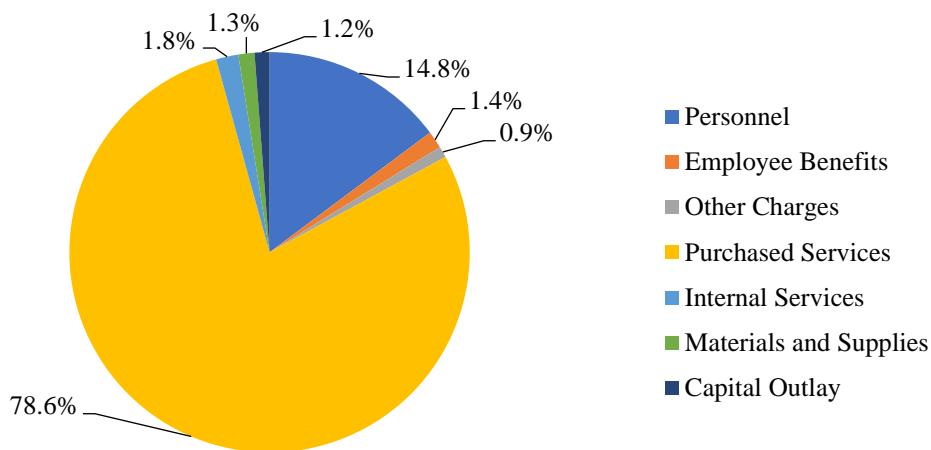
This division creates revenue through a variety of sponsorship, cost deferments, and event fees to support the operation of a variety of community events, including primarily the Poquoson Seafood Festival and an early summer family fun event, known as Picnic in the Park. Provide family fun and quality of life events that build citizen engagement, support community and civic endeavors, and engage wide-ranging audiences to enjoy outdoor events. Audiences include families, children of all ages, food connoisseurs, and those celebrating holidays and family traditions. The goals this year are to operate a mid-summer June event with a fireworks/laser show, if possible, Poquoson Seafood Festival, Poquoson Seafood Festival Workboat Race, Easter Egg Hunt, City Hall Christmas Tree Lighting and Holiday Parade.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	1.00	1.00	-	-	-

Expenditures by Type

Special Events	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 75,772	53,903	83,462	38,000	(45,462)	-54.47%
Employee Benefits	25,064	14,010	29,688	3,496	(26,192)	-88.22%
Other Charges	3,098	3,629	3,950	2,350	(1,600)	-40.51%
Purchased Services	152,859	168,535	194,425	192,025	(2,400)	-1.23%
Internal Services	933	1,361	1,957	4,813	2,856	145.94%
Materials and Supplies	19,760	9,878	16,300	3,400	(12,900)	-79.14%
Capital Outlay	-	-	4,000	3,000	(1,000)	-25.00%
Total	\$ 277,486	251,316	333,782	247,084	(86,698)	-25.97%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Arts and Craft Vendors	154	160	160	160
Exhibitors	30	34	38	35
Food Vendors	23	19	19	19
Attendance	50,000	44,000	48,000	48,000
Workboat Race Entries *	50	-	35	35

* A workboat race was not held during FY2024.

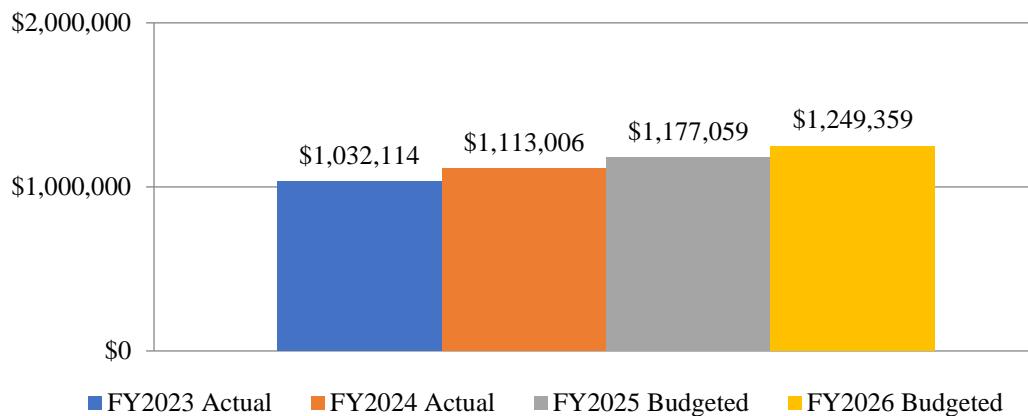
Library

The Library operates as a free public lending facility with reading materials for all ages, in all media. They serve as a community center where exhibits, workshops, book talks, story times, poetry readings, musical performances, reading clubs and other programs and activities for all ages are offered. The Library works with the Library Advisory Board, Friends of the Library, Library volunteers, and local business partners to encourage Library usage, endowments and bequests in the community. They encourage preschoolers to develop an interest in reading and learning through services for children and for parents and children together. The Library supports students in their educational needs with the various public library/school cooperative programs. They provide the public with free notary public service and serve as a passport acceptance agency for the U.S. State Department. The Library promotes lifelong learning through classes, seminars and hands on workshops.

Expenditures Summary

The budget for FY2026 totals \$1,249,359 and includes a 3% base compensation increase, as well as related benefit increases. There are also increases for books and materials.

Proposed and Historical Budget vs. Actual



Goals and Objectives

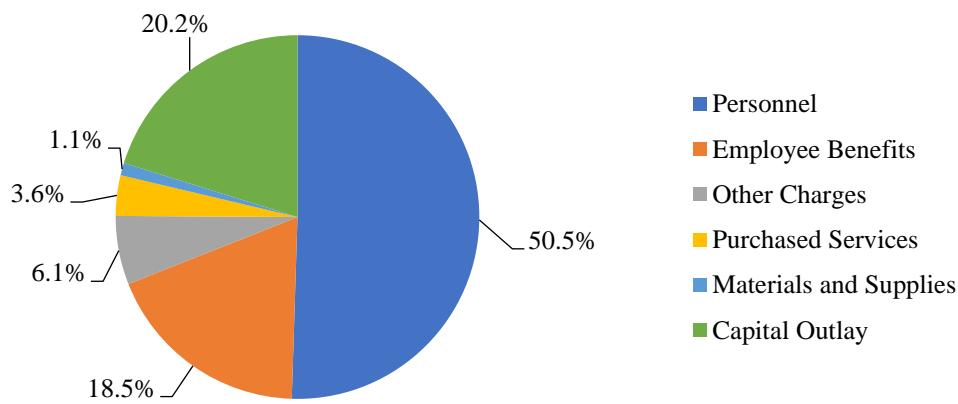
Effectively articulate the library's value to Poquoson's quality of life. Expand outreach services into the community, continue to enhance public relations and increase visibility, and seek partnerships that will help best leverage resources to meet the needs of the community. Continue library related training for staff and successfully leverage volunteer resources. Use technology to enhance library services and provide for community needs. Continue to ensure that the library is available, safe, and accessible to everyone, both online and in our physical space, and identify and manage emerging library trends and best practices to serve the community. Continue developing the Library's print and digital collection, serve as a Lifelong Learning and Community Center through support of K-12 learning initiatives and provide innovative and stimulating programming for all ages that is relevant and high quality.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	12.45	12.25	12.25	12.25	12.25

Expenditures by Type

Library	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 536,280	572,850	614,659	630,598	15,939	2.59%
Employee Benefits	158,315	168,567	200,586	231,640	31,054	15.48%
Other Charges	64,169	67,456	67,400	75,900	8,500	12.61%
Purchased Services	43,564	43,013	43,700	45,000	1,300	2.97%
Materials and Supplies	20,970	12,906	11,800	14,300	2,500	21.19%
Capital Outlay	208,816	248,214	238,914	251,921	13,007	5.44%
Total	\$ 1,032,114	1,113,006	1,177,059	1,249,359	72,300	6.14%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Active Library Members	8,376	8,162	8,200	8,400
Attendance at Library Programs	5,755	7,401	7,500	8,000
Circulation	135,899	150,074	165,000	168,000
Documents Notarized	978	1,326	1,300	1,300
Interlibrary Loans	16	25	30	35
Internet, MS Office, etc. Usage	7,538	7,776	8,000	8,200
Items Purged	5,719	9,445	9,500	9,000
Library Visits	65,218	64,450	65,000	68,000
Meeting Room Usage	1,319	1,407	1,500	1,500
New Items Added to Collection	6,894	7,096	7,200	7,200
Overdue Items Retrieval Attempts	678	665	650	650
Passport Applications Processed	1,759	1,702	1,700	1,700
Reading Materials Reserves	8,397	7,660	7,800	7,800
Webpage Hits	59,363	59,497	60,000	60,000

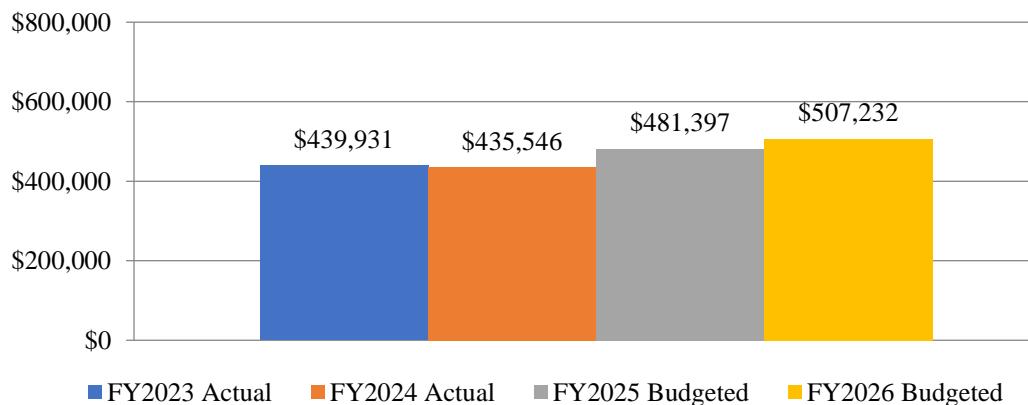
Planning

Planning updates and administers Code of Ordinances to including Zoning, Subdivision, Erosion and Sediment Control, Site Plan, Wetlands and Signs. Monitors compliance of issued use permits and zoning violations. The Planning Department coordinates with the Building Official on administering the City's Federal Flood Insurance rating program and the Community Rating System. They provide technical assistance to other departments, real estate agents, developers, contractors, and citizens. Providing staff support to Planning Commission, Board of Zoning Appeals, Wetlands Board and Architectural Review Board. Manage economic development through comprehensive planning, rezoning, and master planning processes. They serve as participating department for the Hazard Mitigation Planning Committee, and as lead department for the Environmental Development Plan Review Committee. They coordinate and monitor ongoing residential and commercial site development, and develop and maintain community access cable TV channels. Department staff serve as liaison to multiple State and regional agencies and committees. Planning administers the Erosion and Sediment Control/Stormwater Program.

Expenditures Summary

The budget for FY2026 totals \$507,232 and includes a 3% base compensation increase, as well as related benefit increases. There is a projected decrease in computer consulting and advertising costs.

Proposed and Historical Budget vs. Actual



Goals and Objectives

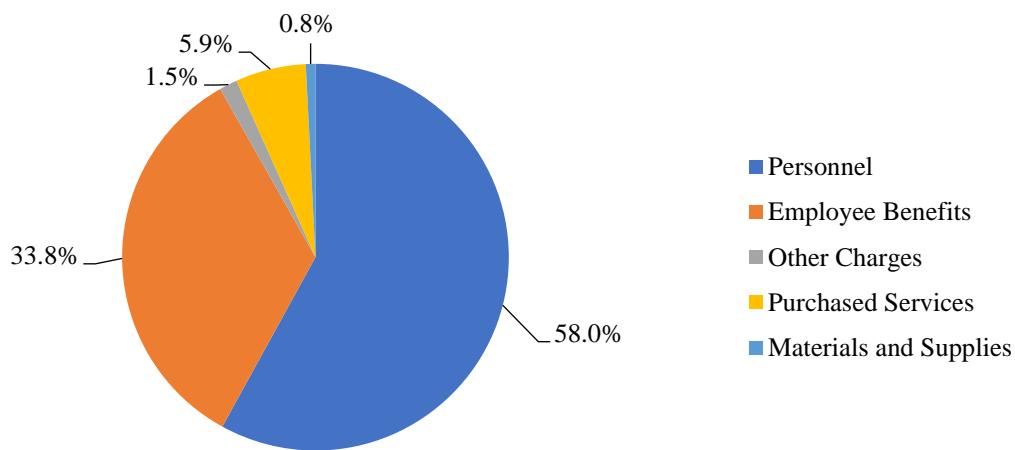
Assists in promoting economic growth within the City. Continue to be the lead on processing development plans for adherence of regulations, development of the GIS program, and land use applications. Work with the Hampton Roads Planning District Commission in monitoring development of regional planning practices and issues. Assist in the implementation of the updated Comprehensive Plan. Strive to provide professional, expeditious and thorough accurate information to the public on local, State and Federal land use regulations. Staff support to the Architectural Review Board, Board of Zoning Appeals, Wetlands Board and Planning Commission.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	4.00	4.00	4.00	4.00	4.00

Expenditures by Type

Planning	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 255,051	267,922	283,618	293,944	10,326	3.64%
Employee Benefits	130,763	134,400	149,429	171,457	22,028	14.74%
Other Charges	6,554	6,632	7,850	7,800	(50)	-0.64%
Purchased Services	39,702	24,778	36,500	30,000	(6,500)	-17.81%
Materials and Supplies	1,511	1,764	4,000	4,031	31	0.78%
Capital Outlay	6,350	50	-	-	-	0.00%
Total	\$ 439,931	435,546	481,397	507,232	25,835	5.37%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Citizen Requests for Information	2,000	4,500	4,950	5,450
Agenda Items-City Council/Board/Commission	15	14	16	18
Erosion and Sediment Applications Processed	30	110	131	143
Erosion and Sediment Inspections	800	1,521	1,673	1,840
Farm Animal Permits Processed	45	101	111	122
Major Subdivision Plans Reviewed	2	3	3	4
Minor Subdivision Plans Reviewed	3	7	8	9
Sign Permit Applications	10	48	52	58
Site Plans Reviewed	4	5	6	7
Special Projects (Non-Planning)	20	14	15	16
Zoning Ordinance / City Code Amendments	5	7	7	8

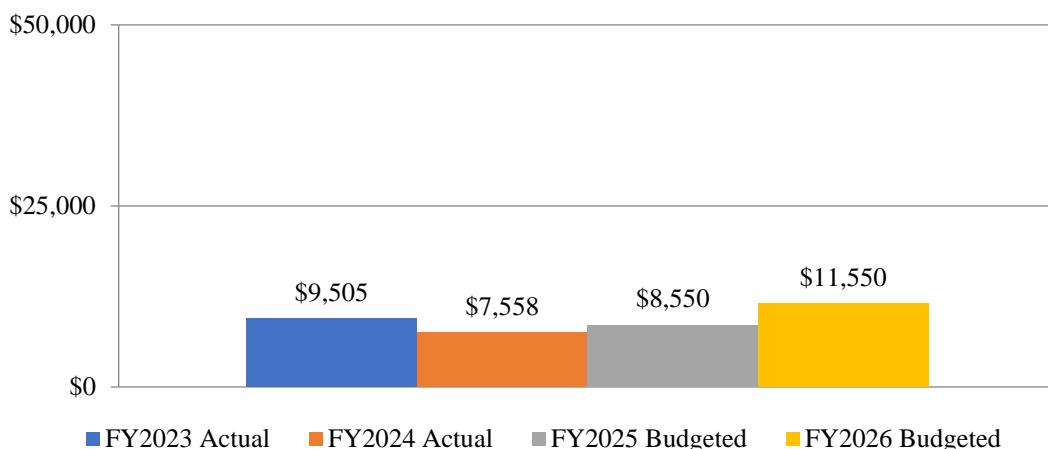
Planning, Zoning, Wetlands and ARB

This Department processes a variety of land use applications, assisting the public in City land use policies and standards. They prepare and modify the City's Comprehensive Plan, applications for public hearings, inspecting sites, monitoring construction, assisting the public in preparation and delivery of formal applications, and presentations to City Council/Boards/Commissions.

Expenditures Summary

The budget for FY2026 totals \$11,550 and includes a projected increase in advertising costs.

Proposed and Historical Budget vs. Actual



Goals and Objectives

Architectural Review Board (ARB)

- Regulate exterior appearance of buildings, structures and improvements proposed for erection or alteration in the Village Commercial, General Commercial and Research and Development Districts and the City's business corridor.
- Encourage construction of attractive commercial development and prevent garish, bizarre and inappropriate exterior designs which could deteriorate the appearance of development and ultimately threaten the integrity of future development and revenue within the City.

Board of Zoning Appeals (BZA)

- Provide relief to property owners from the Zoning Ordinance when the strict application of the ordinance would prevent the reasonable use of land. Determine mitigation requirements.
- Continue education and certification of Board Members through the Certified Professional Education Association of Virginia.
- Provide competent, expedient and professional advice and technical support to City Council pertaining to land use and development issues facing Poquoson.
- Expand staff's knowledge and technical abilities of planning, land use, development, and zoning issues.
- Assist in guiding the development of the revised Comprehensive Plan and in conjunction facilitate a public outreach program for the formulation of the revised plan.
- Assist in guiding development in a fashion compatible with the City's adopted Comprehensive Plan.
- Oversee and guide the process to update the City's Comprehensive Plan.

Wetlands Board

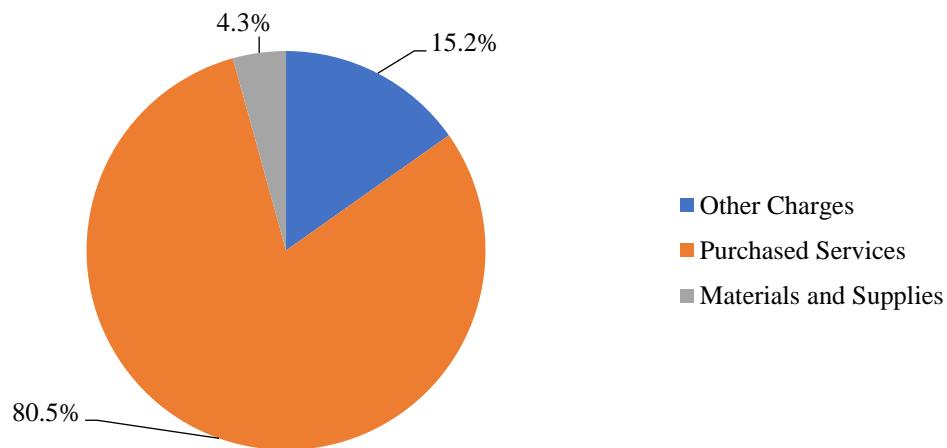
- Provide competent, expedient and professional services and technical support to property owners proposing to perform development activities in wetlands.
- Protect Poquoson's environmentally sensitive wetlands, through the enforcement and administration of local and State wetlands laws and expand upon the Board's and staff's knowledge.
- Review permit applications for projects proposing impact on wetlands per State guidance and regulations.
- Monitor progress of permitted projects.

Environmental Development Plan Review Committee (EDPRC)

- Review site and subdivision plans, proposed Resource Protection Area (RPA) encroachment on grandfathered lots, grant waivers where appropriate and determine mitigation requirements.
- Determine mitigation requirements for waivers to Chesapeake Bay regulations.
- Review wetland permits for land disturbance impacts in the RPA.
- Meet with potential developers to discuss requirements and offer guidance and assistance during the early stages of development to ensure applications are handled in an expeditious manner.

Expenditures by Type

Planning, Zoning, Wetlands	FY 2023	FY 2024	FY 2025	FY 2026	\$	%
	Actual	Actual	Budgeted	Budgeted	Change	Change
Other Charges	\$ 1	6	1,750	1,750	-	0.00%
Purchased Services	6,863	6,958	6,300	9,300	3,000	47.62%
Materials and Supplies	399	594	500	500	-	0.00%
Capital Outlay	2,242	-	-	-	-	N/A
Total	\$ 9,505	7,558	8,550	11,550	3,000	35.09%



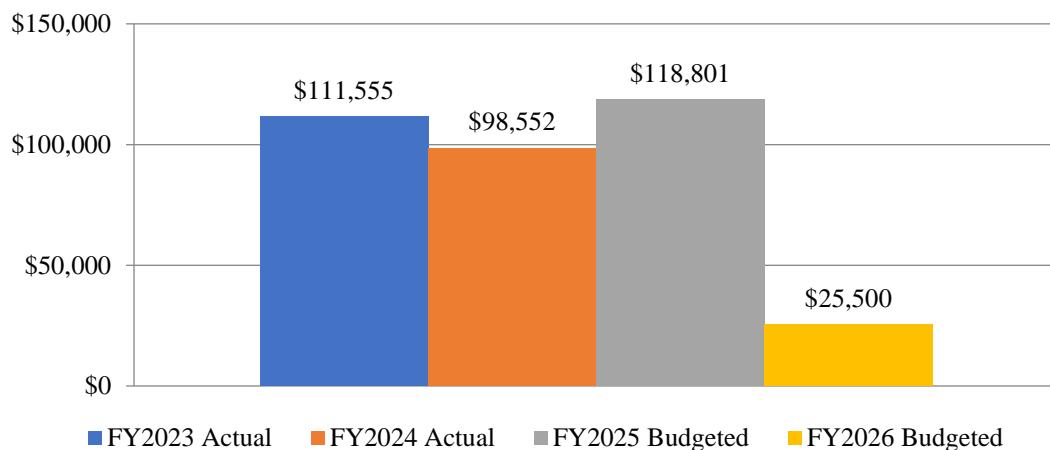
Economic Development

Economic Development is a division of the City Manager's Office, with a staff liaison for the Poquoson Economic Development Authority. Retention and expansion opportunities are promoted as recruitment efforts continue for new businesses. The department promotes quality, safe, and environmentally friendly growth in the City. They work with City businesses and organizations to support a productive growth atmosphere for existing and future businesses. They serve as City representatives to the Hampton Roads Economic Resource Team (PERT), Virginia Economic & Development Partnership (VEDP), the Hampton Roads Economic Development Alliance (the Alliance), the Virginia Peninsula Chamber of Commerce (VPCC), and the Small Business Development Center arm of the Chamber, as well as seeking involvement in special initiatives of these organizations, such as child care. The department develops and implements marketing initiatives to publicize the Poquoson Business Community. They maintain and update the City's Commercial Property inventory. The Department schedules and coordinates business development events.

Expenditures Summary

The budget for FY2026 totals \$25,500. This is a decrease from FY2025 of \$93,301, which is primarily the result of reallocating a position to the City Manager's Office due to the Economic Development activities being moved to that office.

Proposed and Historical Budget vs. Actual

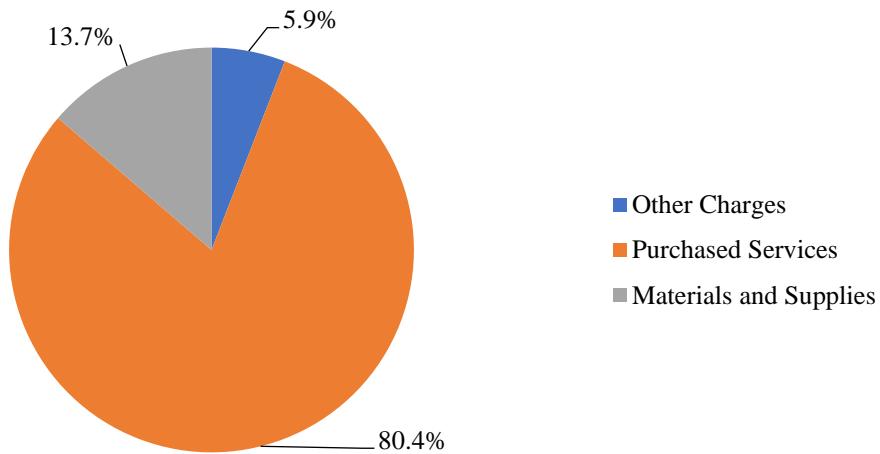


Goals and Objectives

The City Manager's Office, as the new liaison, will transition the responsibilities of promoting businesses within the City and determining the new goals and objectives after meeting with the Poquoson businesses. Between wetlands issues and the development of EDA-owned property for a new Public Safety Building, the potential for promoting Big Woods properties has declined. The Economic Development Office continues to seek new businesses to locate on existing or available properties in the City. The Economic Development Office continues to be the liaison with Start Peninsula and Hybrid Broadcast Broadband (HBB) Network to support start-up and fledgling businesses. The department will work with other locality members of the Regional Infrastructure Facility Authority (RIFA) to identify mutual participation opportunities to benefit the City. The Small Business Development Center of Hampton Roads has been contacted to assist businesses in Poquoson on e-commerce and marketing. Offering up to ten registrations to home-based businesses to attend the 2026 Annual Home-Based Business Conference held by the Hampton Roads Chamber.

Expenditures by Type

Economic Development	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 59,884	42,415	63,384	-	(63,384)	-100.00%
Employee Benefits	23,621	13,157	28,057	-	(28,057)	-100.00%
Other Charges	3,018	1,974	2,860	1,500	(1,360)	-47.55%
Purchased Services	20,396	28,458	21,000	20,500	(500)	-2.38%
Materials and Supplies	4,636	12,548	3,500	3,500	-	0.00%
Total	\$ 111,555	98,552	118,801	25,500	(93,301)	-78.54%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Economic Development Events	3	-	-	2
Small Business Grant Programs	2	-	-	-
Registration Home-Based Business Conference	-	-	-	10

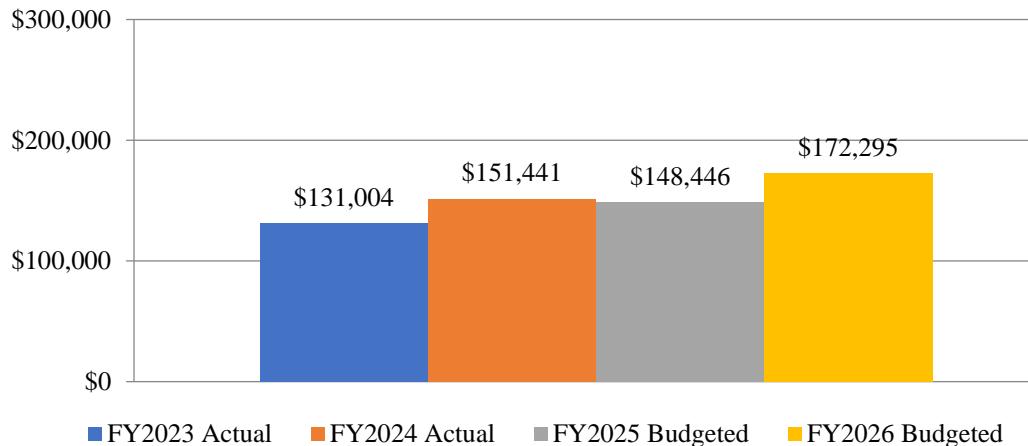
Community Development

Participate in agencies which provide services that improve the quality of life for citizens of Poquoson.

Expenditures Summary

The budget for FY2026 totals \$172,295, which is a \$23,849 increase over FY2025.

Proposed and Historical Budget vs. Actual



Goals and Objectives

Community Development will continue to contribute to a number of agencies which provide services to disadvantaged, elderly, youth and environment. They contribute to agencies which provide services that benefit Poquoson's economy, including those which attract new businesses to the area and increase local tourism.

Expenditures by Type

Community Development	FY 2023	FY 2024	FY 2025	FY 2026	\$	%
	Actual	Actual	Budgeted	Budgeted	Change	Change
HRPDC	\$ 24,663	26,263	26,786	29,122	2,336	8.72%
Small Business Development	3,000	3,000	3,000	3,000	-	0.00%
Transitions Family Violence	2,500	3,000	3,000	3,000	-	0.00%
Peninsula Chamber of Commerce	2,500	2,500	2,500	2,500	-	0.00%
Virginia Peninsula Comm. College	31,814	31,814	31,814	31,814	-	0.00%
Peninsula Emerg. Med. Serv. Council	1,981	2,002	2,020	2,023	3	0.15%
Peninsula Agency on Aging	-	15,120	8,053	8,053	-	0.00%
Peninsula Workforce Develop Council	3,023	3,144	3,146	3,159	13	0.41%
Poquoson Historical Society	500	500	500	500	-	0.00%
Poquoson Museum Foundation	11,500	11,500	11,500	11,500	-	0.00%
HR Military/Federal Facilities	6,055	5,374	6,312	6,324	12	0.19%
Litter Control Grant	9,607	12,513	12,513	11,033	(1,480)	-11.83%
Commission on Homelessness	2,781	2,781	2,781	2,781	-	0.00%
CASA	750	750	750	750	-	0.00%
York/Poquoson Extension Service	10,330	11,180	13,435	13,400	(35)	-0.26%
Poquoson Animal Welfare Society	15,000	15,000	15,336	15,336	-	0.00%
Peninsula ASAP	5,000	5,000	5,000	5,000	-	0.00%
Child Development Resources	-	-	-	10,000	10,000	100.00%
Colonial Soil and Water Conservation	-	-	-	13,000	13,000	100.00%
Total	\$ 131,004	151,441	148,446	172,295	23,849	16.07%

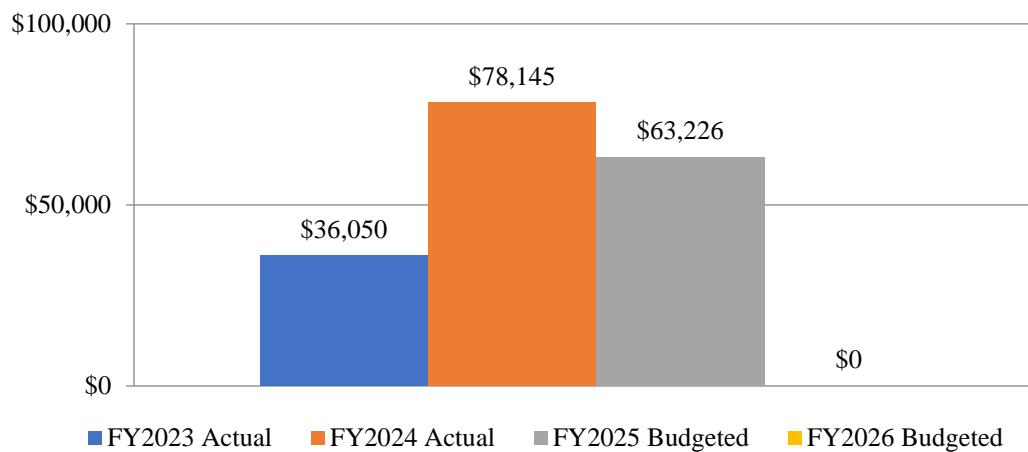
Non-Departmental

Account of expenses that are not readily classified in other areas. Hold funds in reserve for any contingent situations which may occur.

Expenditures Summary

This department accounts for any unforeseen costs during the fiscal year. There is no budget included for FY2026.

Proposed and Historical Budget vs. Actual



Goals and Objectives

Non-Departmental provides a contingency for certain unanticipated expenses, which inevitably arise during the year. The contingency account continues to be less than one quarter of one percent of the total general fund budget.

Expenditures by Type

Non-Departmental	FY 2023	FY 2024	FY 2025	FY 2026	\$	%
	Actual	Actual	Budgeted	Budgeted	Change	Change
Other Charges	\$ 36,050	78,145	63,226	-	(63,226)	-100.00%

DMV Select

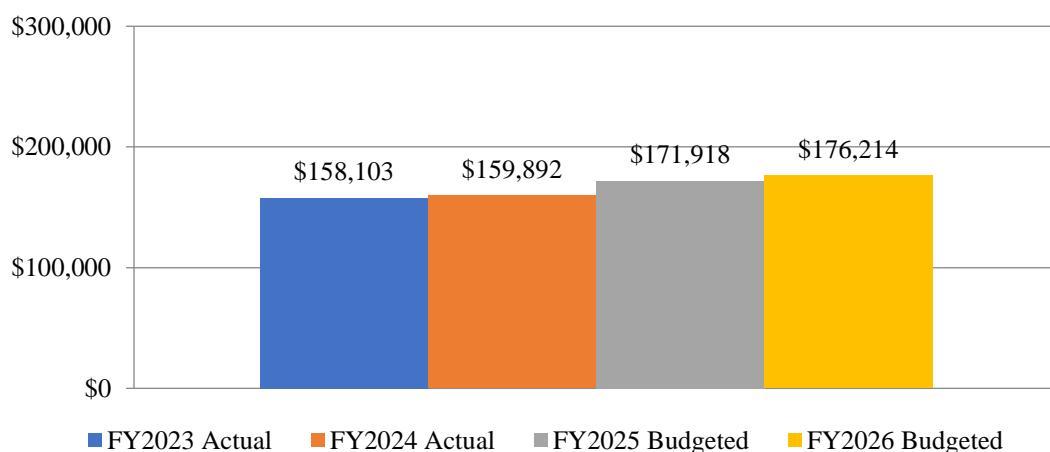
This DMV Select Office processes applications for titling and registration of motor vehicles, issues license plates and/or decals, handicap placards, and driver transcripts. They collect fees, taxes, penalties and other monies in connection with the above transactions. They also issue boat registrations, hunting and fishing licenses for the Virginia Department of Game and Island Fisheries.

The DMV Select Office is managed by the Commissioner of the Revenue. Budget information for the Commissioner of the Revenue is listed separately and can be found on page 71.

Expenditures Summary

The budget for FY2026 totals \$176,214 and includes a 3% base compensation increase, as well as related benefit increases. The decrease in capital outlay is due to a printer purchase in FY2025.

Proposed and Historical Budget vs. Actual



Goals and Objectives

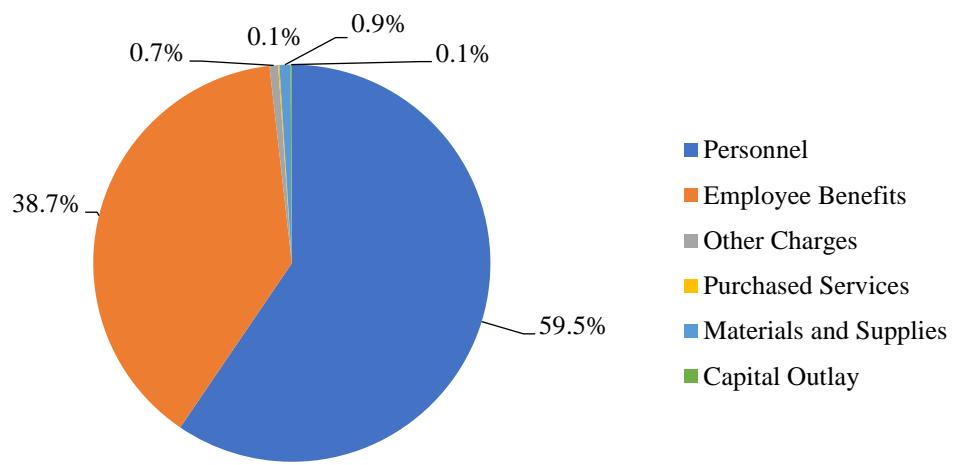
DMV Select provides excellent customer service to all DMV customers. They advertise and promote new services offered (boat registrations, hunting and fishing licenses) as a result of the relationship established with the Department of Game and Inland Fisheries (DGIF). The Department improves the efficiency of DMV Select and DMV Connect by expanding customer service resources as customer service needs increase.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	2.00	2.00	2.00	2.00	2.00

Expenditures by Type

DMV Select	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 90,992	96,945	101,714	104,765	3,051	3.00%
Employee Benefits	64,587	60,881	63,259	68,129	4,870	7.70%
Other Charges	947	913	1,250	1,225	(25)	-2.00%
Purchased Services	140	75	195	195	-	0.00%
Materials and Supplies	1,437	1,078	1,500	1,500	-	0.00%
Capital Outlay	-	-	4,000	400	(3,600)	-90.00%
Total	\$ 158,103	159,892	171,918	176,214	4,296	2.50%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Total DMV Transactions	40,146	37,916	38,000	38,000
Car Dealers Served	13	13	13	13

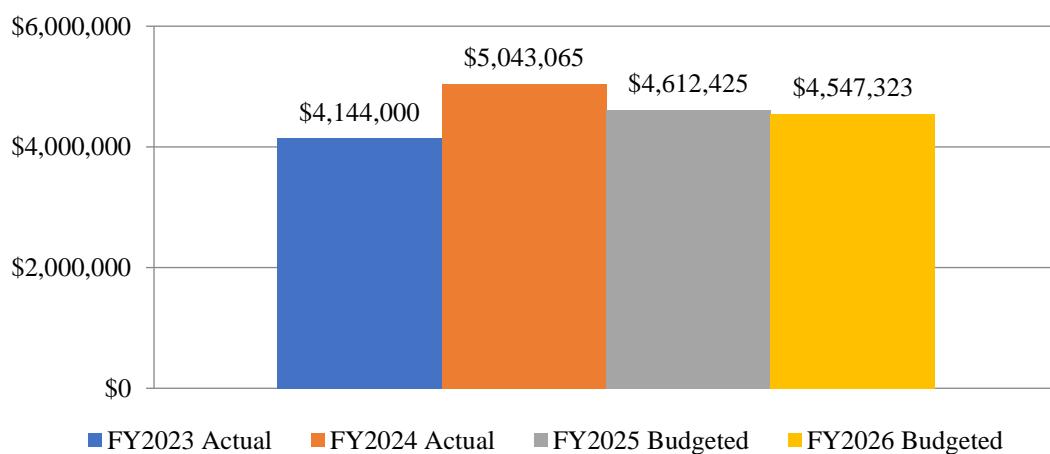
Transfers Out

Account for all transfers from the General Fund to other funds of the City. The transfer to Debt Service provides the funding to process principal and interest on the general obligation debts. The transfer to Capital Projects Fund provides the funding for projects approved in the Constrained Capital Improvements Plan document. The transfer to the OPEB Fund provides the funding for the City's portion of retiree healthcare benefits as well as a contribution to the Virginia Pooled OPEB Trust Fund administered by VACo/VM. The transfer to the Economic Development Authority (EDA) provides funding for operations.

Expenditures Summary

The General Fund provides transfers to other City funds for necessary expenditures. The budget for FY2026 totals \$4,547,323, which is a decrease of \$65,102 from FY2025. This funding supports the City's Debt Service, Capital Projects, Special Revenue Fund and other related boards and authorities. The FY2025 Budget was amended on December 9, 2024, which increased the Transfer to Capital Projects by \$280,090 and was primarily used to establish a capital reserve. This was a result of a decrease in the Contribution to Poquoson City Public Schools due to receiving additional state revenue once the final state budget was passed.

Proposed and Historical Budget vs. Actual

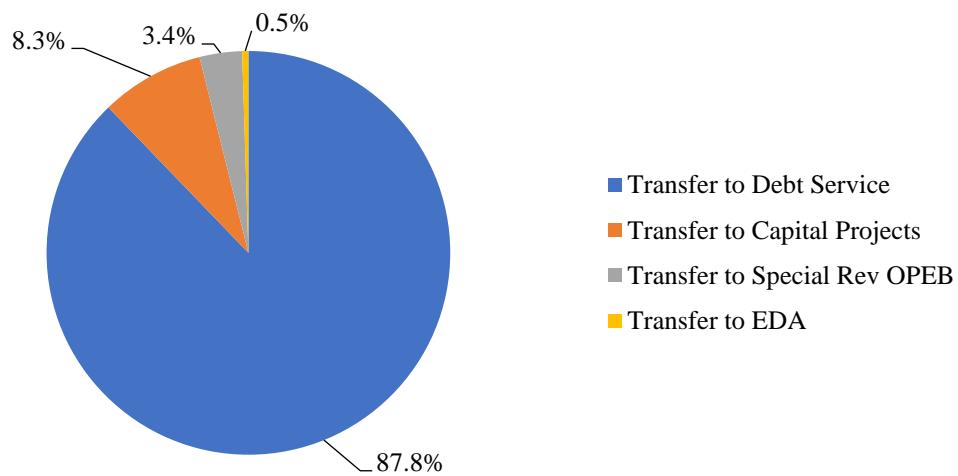


Goals and Objectives

Transfer to Debt Service Fund is to cover current payment of all general governmental debt service for the City, Schools and EDA. Transfer to the Capital Projects Fund to support one time spending on approved projects from the Constrained Capital Improvement Plan. Transfer to OPEB Fund will provide funding for the City's portion of other post-employment benefits and payment to the trust fund. Transfer to the EDA to support operations of the Board and regional economic development efforts.

Expenditures by Type

Transfers Out	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Transfer to Debt Service	\$ 3,795,000	4,068,000	3,993,000	3,993,000	-	0.00%
Transfer to Capital Projects	228,000	873,509	490,590	379,500	(111,090)	-22.64%
Transfer to Special Rev OPEB	100,000	80,556	107,835	153,823	45,988	42.65%
Transfer to EDA	21,000	21,000	21,000	21,000	-	0.00%
Total	\$ 4,144,000	5,043,065	4,612,425	4,547,323	(65,102)	-1.41%



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DEBT SERVICE FUND



Debt Service Fund Summary

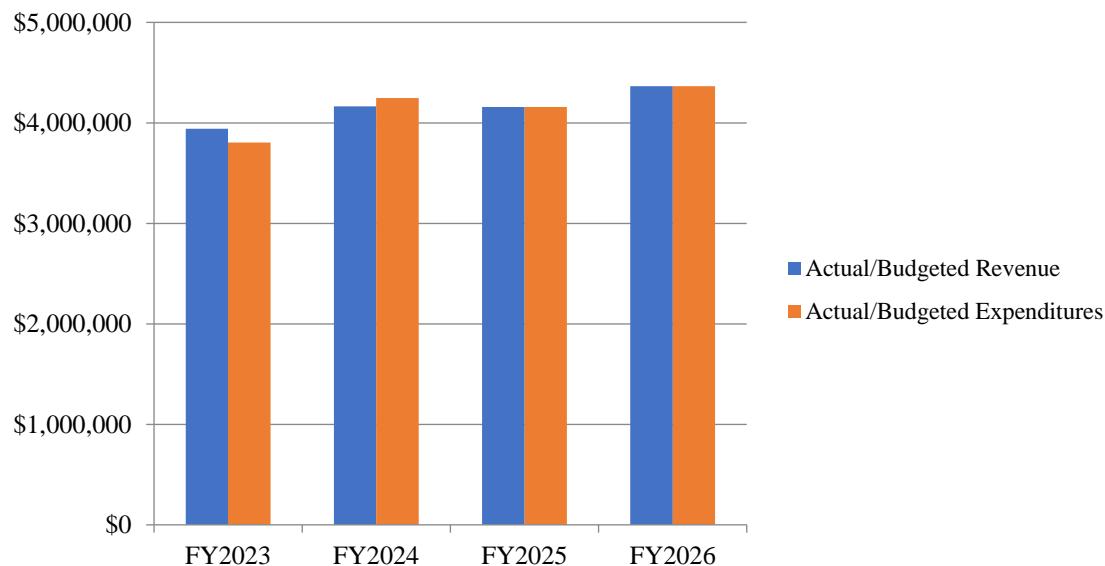
The Debt Service Fund accounts for the accumulation of resources for the payment of general obligation debt service for the City and the School Division, except for debt payable by the Utilities Fund. Revenues of the Debt Service Fund are derived from transfers from the General Fund and/or Capital Projects Fund.

City of Poquoson Charter Article 13 "Limitation on the issuance of bonds or other interest-bearing obligations" addresses the debt limit. It states that there shall not be any issued bonds or other interest-bearing obligations which exceed for any one issuance, one and one-half per centum of the assessed valuation of the real estate in the City subject to taxation, according to the most current assessment for taxes, without voter approval. Certificates of indebtedness, revenue bonds, or other obligations issued in anticipation of the collection of the revenues for the current year, provided they mature within one year from issuance, are not required to be voted on by the qualified voters of the City.

In May 2014, Standard & Poor's (S&P) upgraded the long-term rating for the City to AAA from AA+, the highest possible rating from S&P which provides that the City's capacity to meet its financial commitments on the obligation is extremely strong. In June 2016, S&P reaffirmed the AAA rating. In December 2017, upgraded the City's outstanding bonds an additional notch to Aa1 as a result of the strength of the Virginia State Intercept program along with the City's underlying credit quality. In June 2018, Moody's reaffirmed the Aa2 rating and assigned an enhanced Aa1 rating to 2018 general obligation bonds.

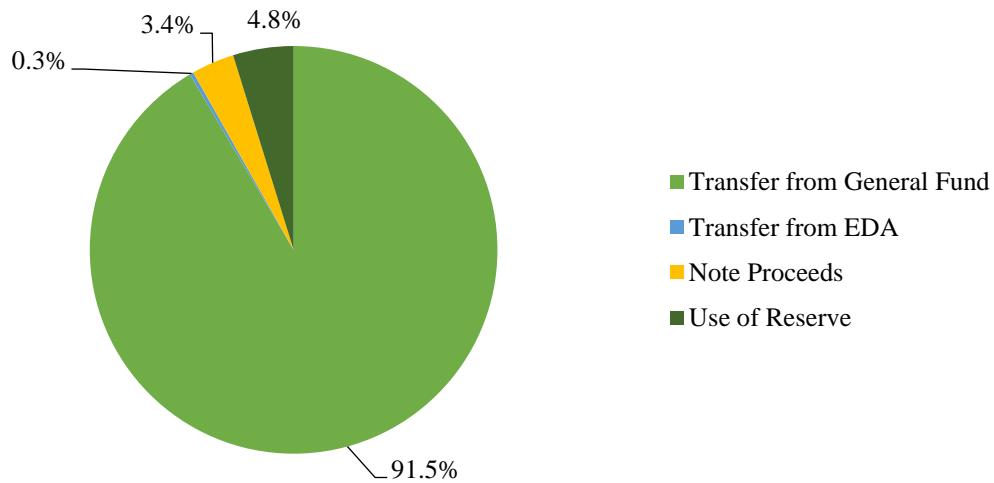
The City's most significant debt is in School bonds. Other significant debt service items relate to notes and bonds of the City and Economic Development Authority (EDA). All the debt service presented in the budget is based on legally binding agreements, unless it is labeled estimate.

The City of Poquoson is projecting \$4,364,349 of revenue in FY2026, which represents a 4.97% increase over the prior year.



Debt Service Fund Revenue

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Transfer from General Fund	\$ 3,795,000	4,068,000	3,993,000	3,993,000	-	0.00%
Transfer from EDA	16,053	15,415	14,790	14,231	(559)	-3.78%
Bond Proceeds	131,794	82,164	150,000	150,000	-	0.00%
Use of Reserve	-	-	-	207,118	207,118	100.00%
Total	\$ 3,942,847	4,165,579	4,157,790	4,364,349	206,559	4.97%



Revenue for the Debt Service Fund is provided primarily by transfers from the General Fund and issuing new debt.

Transfers:

The Debt Service Fund is financed exclusively from transfers made by other funds. Usually, the transfer of debt comes from the General Fund.

Use of Reserve:

In FY2013, the City established a debt reserve to set aside funds for future debt service. In anticipation of the borrowing during FY2019, the City increased the reserve in FY2019 with the understanding of utilizing the funds when the debt is payable. In FY2022, the City utilized the reserve instead of borrowing additional debt to fund nine projects in the Adopted CCIP. In FY2026, there is planned use of the fund balance for new debt that was issued during FY2025.

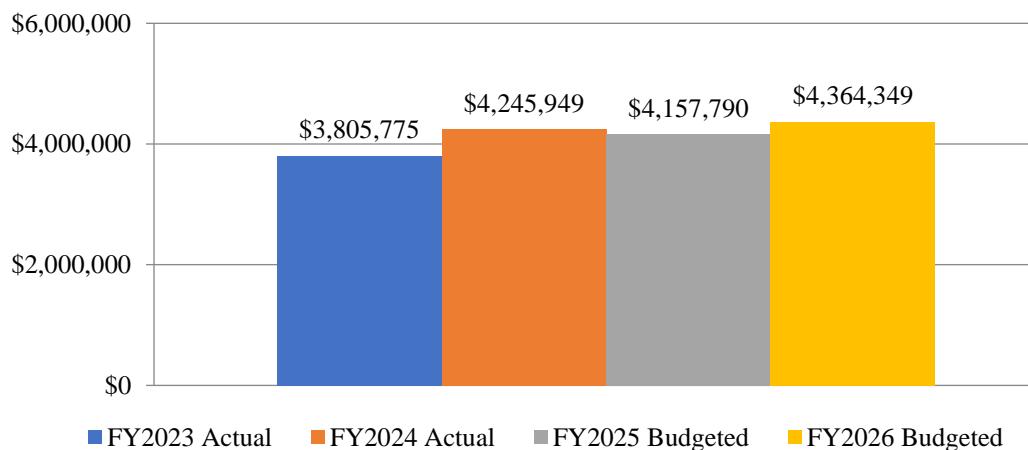
Debt Service Fund Expenditures

The debt service expenditures account for issuance and repayment of debt along with related interest on construction of City and School facilities and major equipment purchases.

Expenditures Summary

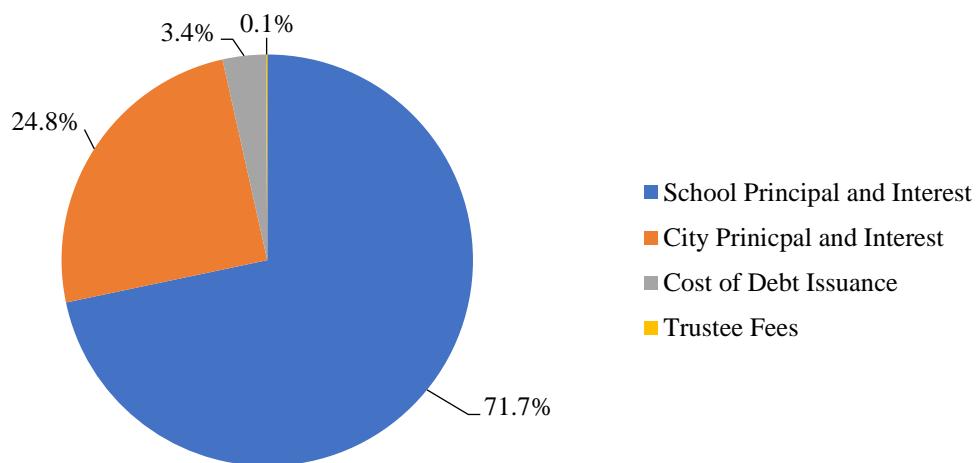
In Fiscal Year 2026, the principal and interest for School related debt is 71.7% or \$3,128,562 of the overall Debt Service budget. The principal and interest for City related debt totals \$1,080,787 or 24.8% of the overall Debt Service Budget. The City anticipates issuing \$3 million in long-term financing in FY2026 for the replacement of the Poquoson High School roof, two fire chief vehicle replacements and a public works dump truck replacement. The total anticipated borrowing includes an estimated \$150,000 of related bond issuance cost that is budgeted in Debt Service, which is 3.4% of the overall Debt Service budget. The remaining \$5,000 or 0.1% is for Trustee Fees.

Proposed and Historical Budget vs. Actual



Expenditures by Type

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
School Principal	\$ 2,012,043	2,095,688	2,203,660	2,215,799	12,139	0.55%
School Interest	1,090,848	996,470	898,119	912,763	14,644	1.63%
City Principal	403,957	542,312	529,339	808,200	278,861	52.68%
City Interest	161,753	281,374	296,597	272,587	(24,010)	-8.10%
Trustee Fees	3,580	1,800	5,000	5,000	-	0.00%
Cost of Debt Issuance	133,594	84,964	150,000	150,000	-	0.00%
Transfer to Capital Projects	-	243,341	-	-	-	0.00%
Reserve for Future Debt Service	-	-	75,075	-	(75,075)	-100.00%
Total	\$ 3,805,775	4,245,949	4,157,790	4,364,349	206,559	4.97%



Expenditures by Debt Instrument

	FY2026 Principal	FY2026 Interest	FY2026 Budgeted
School Bonds:			
2016 Refunded 2010 Refunded 2005 PES	\$ 335,894	27,375	363,269
2016 Refunded 2010 Refunded 2007 PES	438,570	35,743	474,313
2016 Refunded 2010 Refunded 2006B PES	778,707	63,465	842,172
2016 Refunded 2011B Refund 2009A Refund 2006A PES	231,131	27,179	258,310
2016 Primary School HVAC	25,000	1,250	26,250
2016 High School HVAC	10,000	500	10,500
2016 High School Track	20,000	4,100	24,100
2018 Middle School Renovations	105,000	584,031	689,031
2018 School Bus	10,000	1,500	11,500
2020A - 2012-2011 Refunded 2008 PMS Stadium	18,990	2,231	21,221
2020A - 2012-2011 Refunded 2008 PES	106,507	12,515	119,022
2021A Middle School Renovations	93,000	31,326	124,326
2021A Middle School Renovations and Turf Field	43,000	3,048	46,048
2025 High School HVAC	-	118,500	118,500
Subtotal School Bonds	2,215,799	912,763	3,128,562
City Bonds:			
2016 Refunded 2010 Refunded 2005 Fire Station #1	143,954	11,732	155,686
2016 Refunded 2010 Refunded 2007 Fire Station #1	102,875	8,384	111,259
2016 Refunded 2011B Public Works	38,869	4,571	43,440
2016 Fire Apparatus (Formerly Messick Point Beach)	10,000	1,700	11,700
2016 City Hall HVAC (Formerly Undesignated Project)	5,000	900	5,900
2018 Fire Engine 102	10,000	1,750	11,750
2018 City Hall HVAC	30,000	4,750	34,750
2018 TMDL	15,000	2,500	17,500
2020A - 2012-2011 Refunded 2008 Unrefunded Fire Station	6,481	762	7,243
2020A - 2012-2011/2009B Refunding 1998A Courthouse	17,021	2,000	19,021
2020B Refinance 2013 GO to Refinance LOC for EDA	151,000	14,231	165,231
2022 Public Safety Building	174,000	140,141	314,141
2023 Fire Ladder Truck	104,000	79,166	183,166
Subtotal City Bonds	808,200	272,587	1,080,787
Other Expenditures:			
Trustee Fees	-	-	5,000
Cost of Debt Issuance	-	-	150,000
Reserve for Future Debt Service	-	-	-
Total Debt Service Fund Expenditures	\$ 3,023,999	1,185,350	4,364,349

General Obligation Bonds

Outstanding general obligation bonds of the City's governmental activities are comprised of the following:

General Obligation Bonds, Series 2016 - \$14,830,000 bonds issued and due in annual installments varying from \$40,000 to \$2,245,000 beginning February 2015 through February 2031, with interest payable semi- annually at rates from 2% to 5%. Total outstanding at June 30, 2025 is \$4,990,000.

General Obligation Bonds, Series 2018 - \$18,070,000 bonds issued and due in annual installments varying from \$100,000 to \$1,565,000 beginning February 2020 through February 2040, with interest payable semi- annually at rates from 3% to 5%. Total outstanding at June 30, 2025 is \$17,320,000.

General Obligation Refunding Bonds, Series 2020A - \$1,385,000 bonds issued and due in annual installments varying from \$41,000 to \$725,000 beginning February 2021 through February 2028, with interest payable semi- annually at rates from 3% to 5%. Total outstanding at June 30, 2025 is \$1,036,000.

General Obligation Refunding Bonds, Series 2020B - \$1,434,000 bonds issued and due in annual installments varying from \$42,000 to \$752,000 beginning February 2021 through February 2028, with interest payable semi- annually at rates from 3% to 5%. Total outstanding at June 30, 2025 is \$1,070,000.

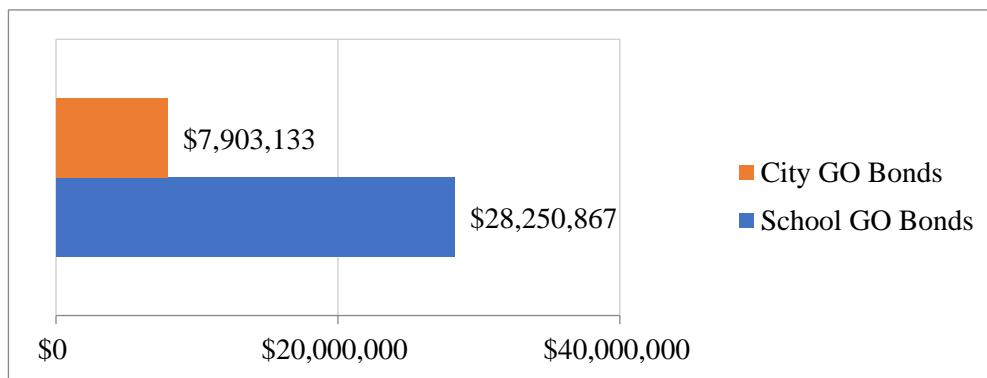
General Obligation Bonds, Series 2021A - \$3,522,000 bonds issued and due in annual installments varying from \$169,915 to \$346,000 beginning June 2022 through February 2036, with interest payable semi-annually at rates from 3% to 5%. Total outstanding at June 30, 2025 is \$2,989,000.

General Obligation Bonds, Series 2022 - \$4,000,000 bonds issued and due in annual installments varying from \$10,000 to \$304,000 beginning February 2023 through February 2042, with interest payable semi- annually at 3.53%. Total outstanding at June 30, 2025 is \$3,970,000.

General Obligation Bonds, Series 2023 - \$2,000,000 bonds issued and due in annual installments varying from \$100,000 to \$175,000 beginning February 2024 through February 2038, with interest payable semi- annually at 4.45%. Total outstanding at June 30, 2025 is \$1,779,000.

General Obligation Bonds, Series 2025 - \$3,000,000 bonds issued and due in annual installments varying from \$147,000 to \$264,000 beginning February 2026 through February 2041, with interest payable semi- annually at 4.27%. Total outstanding at June 30, 2025 is \$3,000,000.

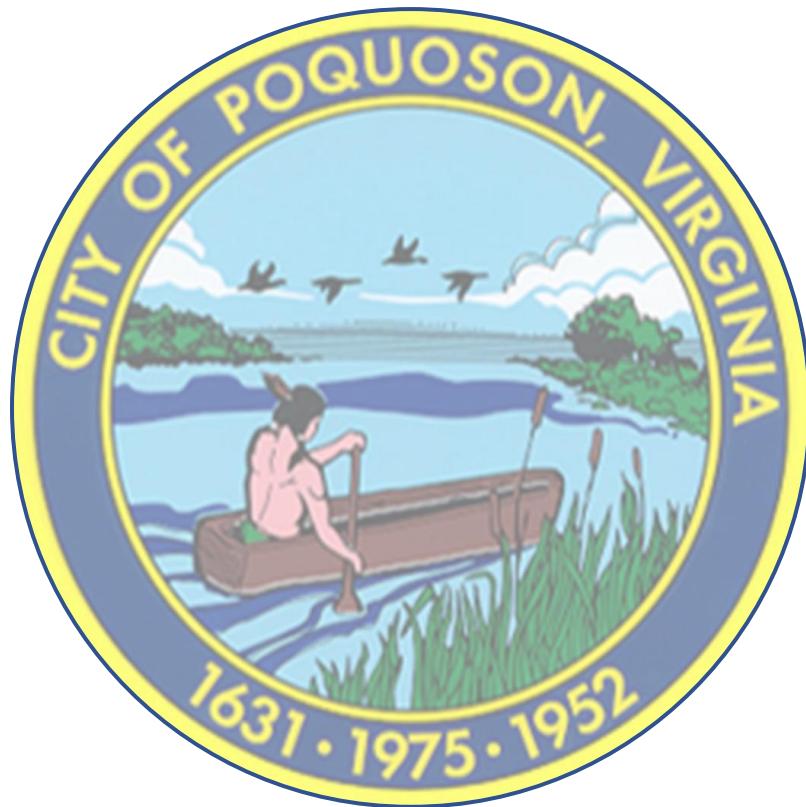
General Obligation Bonds Outstanding as of July 1, 2025



Long Term Debt Obligations

		Projected Balance June 30, 2025	Principal Retirement	Projected Balance June 30, 2026
School Bonds:				
2016 Refunded 2010 Refunded 2005 PES	\$ 688,582	335,894		352,688
2016 Refunded 2010 Refunded 2007 PES	899,070	438,570		460,500
2016 Refunded 2010 Refunded 2006B PES	1,596,349	778,707		817,642
2016 Refunded 2011B Refund 2009A Refund 2006A PES	890,281	231,131		659,150
2016 Primary School HVAC	25,000	25,000		-
2016 High School HVAC	10,000	10,000		-
2016 High School Track	140,000	20,000		120,000
2018 Middle School Renovations	17,110,000	105,000		17,005,000
2018 School Bus	30,000	10,000		20,000
2020A - 2012-2011 Refunded 2008 PMS Stadium	132,038	18,990		113,048
2020A - 2012-2011 Refunded 2008 PES	740,547	106,507		634,040
2021A Middle School Renovations	2,724,000	93,000		2,631,000
2021A Middle School Renovations and Turf Field	265,000	43,000		222,000
2025 High School HVAC	3,000,000	-		3,000,000
Subtotal School Bonds	28,250,867	2,215,799		26,035,068
City Bonds:				
2016 Refunded 2010 Refunded 2005 Fire Station #1	295,107	143,954		151,153
2016 Refunded 2010 Refunded 2007 Fire Station #1	210,892	102,875		108,017
2016 Refunded 2011B Public Works	149,719	38,869		110,850
2016 Fire Apparatus (Formerly Messick Point Beach)	55,000	10,000		45,000
2016 City Hall HVAC (Formerly Undesignated Project)	30,000	5,000		25,000
2018 Fire Engine 102	35,000	10,000		25,000
2018 City Hall HVAC	95,000	30,000		65,000
2018 TMDL	50,000	15,000		35,000
2020A - 2012-2011 Refunded 2008 Unrefunded Fire Station	45,066	6,481		38,585
2020A - 2012-2011/2009B Refunding 1998A Courthouse	118,349	17,021		101,328
2020B Refinance 2013 GO to Refinance LOC for EDA	1,070,000	151,000		919,000
2022 Public Safety Building	3,970,000	174,000		3,796,000
2023 Fire Ladder Truck	1,779,000	104,000		1,675,000
Subtotal City Bonds	7,903,133	808,200		7,094,933
Total Debt Service Fund Expenditures	\$ 36,154,000	3,023,999		33,130,001

CAPITAL PROJECTS FUND



Capital Projects Fund Summary

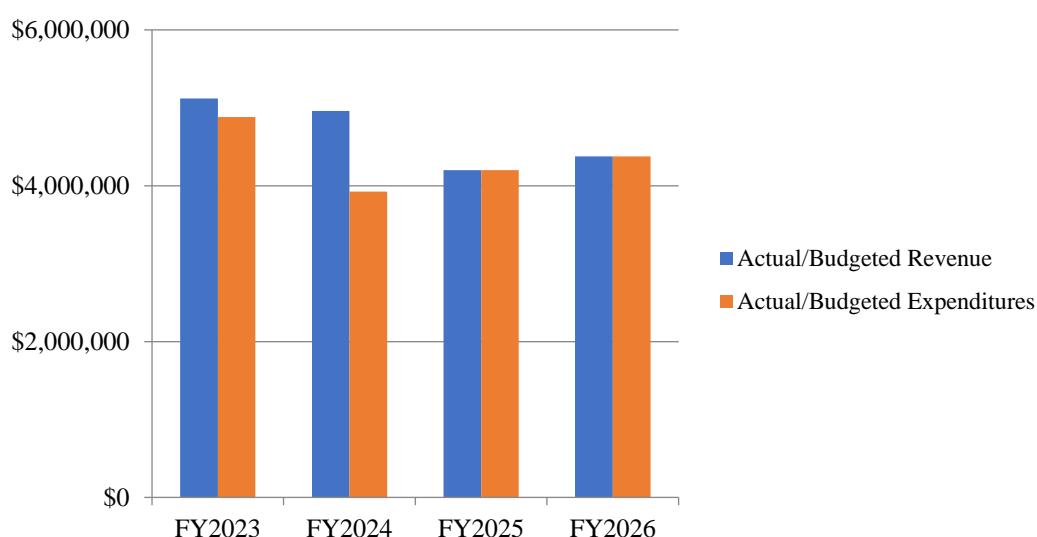
The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major City or School capital facilities, infrastructure, and equipment other than those financed by proprietary funds.

Generally, capital improvements are defined as physical assets constructed or purchased that have a useful life of five years or longer and have a cost of \$50,000 or more. Projects that meet this definition of a capital improvement are included in the Constrained Capital Improvements Plan (CCIP), such as new and expanded facilities for the community, large scale rehabilitation or replacement of existing facilities, the cost of engineering or architectural studies and services relative to the improvement, and major equipment.

The City of Poquoson's CCIP outlines the City's plan for achieving objectives and service delivery levels desired by City Council. The purpose of this plan is to forecast and match projected revenues and major capital needs over a five-year period. The CCIP is an important management tool that strengthens the linkages between community infrastructure needs and the financial capacity of the City. City Council adopted the FY2026 to Beyond FY2030 CCIP on November 12, 2024. For presentation purposes, a brief summary of the CCIP plan is shown on pages 152-154. The full CCIP document is available on the City's website at the following web address: <https://www.ci.poquoson.va.us/280/Budgets-Financial-Reports>.

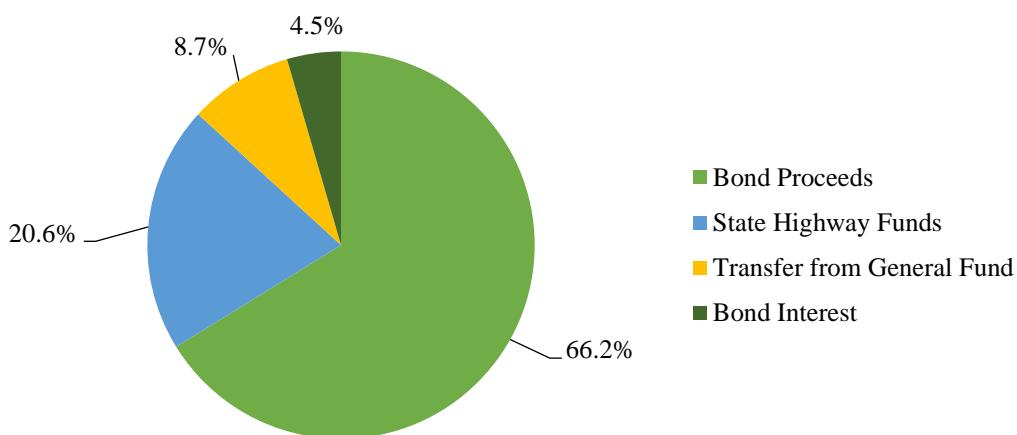
Unlike the City's General Fund in which any unexpended funds lapse at the end of the fiscal year, the monies appropriated in the Capital Projects Fund lapse into the fund balance for future expenditures. Those unspent funds are then reappropriated to the next fiscal year provided the project is not completed. Completed projects with leftover funds may be transferred to the General Fund.

Capital budgets are intended to cover the cost of major improvements to a local government's infrastructure and are separate and distinct from a local government's operating budget, which is intended to cover the day-to-day cost of service delivery. The City's total Capital Projects budget for FY2026 totals \$4,374,644, which represents a 4.15% increase over the prior year.



Capital Projects Fund Revenue

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Bond Proceeds	\$ 3,868,206	1,917,836	2,950,000	2,895,144	(54,856)	-1.86%
State Highway Funds	813,547	970,118	900,000	900,000	-	0.00%
Transfer from General Fund	228,000	873,509	210,500	379,500	169,000	80.29%
Transfer from Debt Service	-	243,341	-	-	-	0.00%
Proffers	-	250,000	-	-	-	0.00%
Bond Interest	163,137	305,684	-	200,000	200,000	100.00%
Other Revenue	48,026	400,743	-	-	-	0.00%
Reappropriation of Fund Balance	-	-	140,000	-	(140,000)	-100.00%
Total	\$ 5,120,916	4,961,231	4,200,500	4,374,644	174,144	4.15%



The City's Capital Projects Fund is utilized to track the financial resources used to acquire and/or construct a major capital asset. These projects usually involve large expenditures and result in assets with extended life spans.

Bond Proceeds: In FY2026, the City anticipates Bond Proceeds of \$2,895,144 to fund a Poquoson High School Roof Replacement, two fire chief vehicle replacements and a public works dump truck replacement.

State Highway Funds: Each year, the City allocates a portion of the funding it receives from the Virginia Department of Transportation (VDOT) to the City for the annual paving and drainage programs. The City is projected to receive a total of \$1.9 Million from the State Highway Maintenance Fund, and \$900,000 is recorded in the Capital Projects Fund and the remaining \$1,000,000 is recorded in the General Fund. The exact amount of revenue for FY2026 will not be available until August 2025.

Bond Interest: The Capital Projects Fund will utilize interest earnings realized on bond issuance.

Local Revenue: No anticipated revenue from donations or private grants is anticipated for the FY2026 Budget.

Transfers: The Capital Projects Fund will receive a transfer from the General Fund in the amount of \$379,500 to be used for two police vehicle replacements, facility condition assessment, professional services and other public safety equipment.

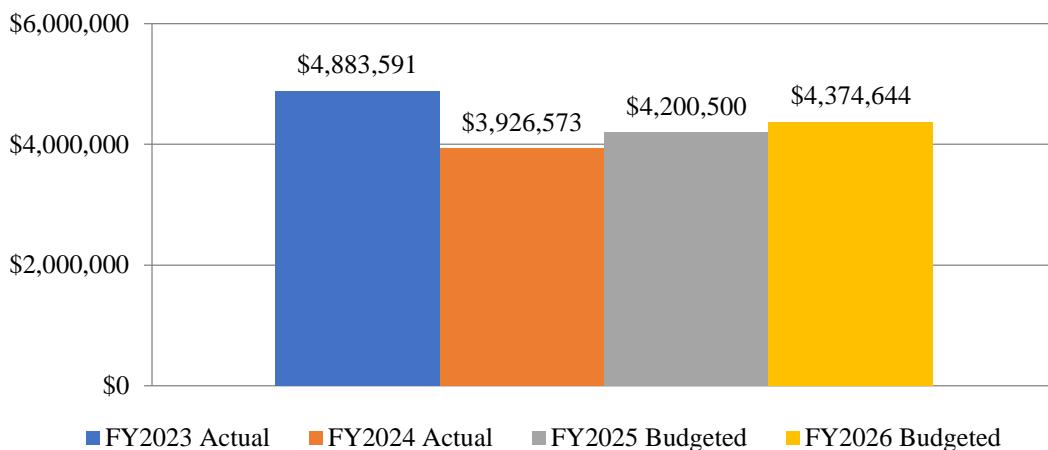
Capital Projects Fund Expenditures

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major City or School capital facilities, land, infrastructure and equipment, other than those financed by proprietary funds. Those items of general government nature from the Constrained Capital Improvements Plan are incorporated into the Annual Financial Plan. The Capital Projects Fund may include projects such as parks and recreation improvements, transportation projects and capital feasibility studies where the project total is greater than \$50,000.

Expenditures Summary

In Fiscal Year 2026, the City's total Capital Projects Fund budget is \$4,374,644, which is an increase over FY2025 of \$174,144.

Proposed and Historical Budget vs. Actual



Budget Detail

Funds are appropriated in the Capital Projects Fund as Year 1 projects, usually with a Transfer from the General Fund or issuance of new debt. Unexpended funds at the end of Year 1 lapse into the Fund Balance of the Capital Projects fund for future expenditures. Those unspent funds are then reappropriated the next fiscal year provided the project is not completed. Completed projects with leftover funds may be transferred to the General Fund Unassigned Fund Balance or designated to other projects within the fund.

Expenditures by Type

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
School Capital Projects:						
High School Roof	\$ -	-	-	2,600,000	2,600,000	100.00%
High School HVAC	-	-	2,800,000	-	(2,800,000)	-100.00%
School Bus Replacement	135,179	-	290,000	-	(290,000)	-100.00%
Middle School Renovation	3,020,880	108,446	-	-	-	0.00%
High School Traffic Loop	153,554	-	-	-	-	0.00%
Middle School Pressbox	101,149	-	-	-	-	0.00%
High School Softball Audio	-	10,887	-	-	-	0.00%
Subtotal School Capital Projects	3,410,762	119,333	3,090,000	2,600,000	(490,000)	-15.86%
City Capital Projects:						
Street Paving	1,026,919	419,598	900,000	900,000	-	0.00%
Public Safety Vehicle Replace	-	401,054	76,000	282,144	206,144	100.00%
Public Works Dump Truck	-	-	-	173,000	173,000	100.00%
Facility Condition Assessment	-	-	-	100,000	100,000	100.00%
Financial System Upgrade	-	-	-	200,000	200,000	100.00%
Professional Services	179,440	34,679	30,000	15,000	(15,000)	100.00%
Fire Lifepak Replacement	61,130	-	42,500	42,500	-	0.00%
Radios	-	-	20,000	20,000	-	0.00%
MDTs Replacement	-	-	42,000	42,000	-	0.00%
Public Safety Building	-	1,588,759	-	-	-	0.00%
Building and Facilities	75,909	-	-	-	-	0.00%
City Hall Roof and Doors	-	563,519	-	-	-	0.00%
Drainage Projects	15,894	-	-	-	-	0.00%
Pool Improvements	-	184,926	-	-	-	0.00%
Park Improvements	62,787	340,152	-	-	-	0.00%
Tennis Court/Pickleball	-	187,636	-	-	-	0.00%
Traffic Signal Support System	-	34,525	-	-	-	0.00%
Finance Server Replacement	-	52,392	-	-	-	0.00%
Reassessment Software	50,750	-	-	-	-	0.00%
Subtotal City Capital Projects	1,472,829	3,807,240	1,110,500	1,774,644	664,144	59.81%
Total	\$ 4,883,591	3,926,573	4,200,500	4,374,644	174,144	4.15%

FY2026 New Capital Projects

Poquoson High School Roof Recover/Replacement: This project is for the recover/replacement of the roof. The current roof is approximately 28 years old and has a useful life of 20 years. The cost adopted in the FY2026 Budget is funded through debt issuance.

Street Paving: The funding comes through the State Highway Funds from the Virginia Department of Transportation for maintenance, resurfacing and improvements. Projects are at the City's discretion based on needs. The following streets are scheduled to be repaved in FY2026: South Lawson, Evans Grove, Heather Court, Freeman Drive, Trinity Drive, Amos Circle, Ridge Road, Bay Street, Magnolia Lane, Browns Neck Road, and Cedar Road.

Public Safety Vehicle Replacement: Funding to provide for two replacement vehicles for the Police Department. The vehicles have an average useful life of seven to nine years. The cost included in the FY2026 Budget is funded by a transfer from the General Fund.

Fire Chief Vehicle Replacement: Funding to provide for two replacement vehicles for the Fire Chief vehicles. The vehicles have an average useful life of 20 years. The cost included in the FY2026 Budget is funded through debt issuance.

Public Works Dump Truck Replacement: Funding to provide for one dump truck replacement. The vehicle has an average useful life of 15 years. The cost included in the FY2026 Budget is funded through debt issuance.

Facility Condition Assessment: Funding to provide for a facility condition assessment on City Hall and Fire Station 1. This will be a comprehensive evaluation of the two building's physical condition and will inspect and analyze various elements, such as mechanical systems and electrical systems. This will help identify existing or potential problems that could affect the building's performance and provide information to assist City staff with future budgeting needs. The cost in the FY2026 Budget is funded by a transfer from the General Fund.

Financial System Upgrade: Funding for the replacement of the financial, payroll, tax and collection software and related hardware. This would also include the addition of human resources software to allow for more efficient processing. The current system is well over twenty years old and uses technology that was developed in the 1980s. The cost included in the FY2026 Budget is funded through the appropriation of bond interest.

Professional Services: Cost to cover specialized services related to VDOT grants, to the City's stormwater permit-mandated bacterial TMDL Impairment Action Plan and watershed studies. The cost included in the FY2026 budget is funded by a transfer from the General Fund.

Public Safety Replacement - MDTs: In FY2021, the City replaced the Fire Department's existing Mobile Device Terminals (MDTs) and purchased new terminals for the Police Department. The MDTs have a useful life of five years. The funding will go towards one-fifth of the replacement cost needed in FY2026 to purchase replacements for both departments. The cost adopted in the FY2026 Budget is funded by a transfer from the General Fund.

Constrained Capital Improvements Plan FY2026 to Beyond FY2030

The City of Poquoson's Constrained Capital Improvements Plan (CCIP) outlines the City's plan for achieving objectives and service delivery levels desired by City Council. The purpose of this plan is to forecast and match projected revenues and major capital needs over a five-year period. The CCIP is an important management tool that strengthens the linkages between community infrastructure needs and the financial capacity of the City. More specifically, the CCIP is intended to accomplish the following objectives:

- To build the facilities required to support the City's public service responsibilities.
- To improve financial planning by comparing needs with resources, estimating future bond uses and debt service, and identifying tax rate implications.
- To establish priorities among projects so that limited available funds are used to the best advantage.
- To plan public facility construction and major equipment purchases and coordinate timing with the public needs.
- To support the physical development objectives contained in approved City plans.

Generally, capital improvements are defined as physical assets constructed or purchased that have a useful life of five years or longer and have a cost of \$50,000 or more. Projects that meet this definition of a capital improvement are included in the CCIP, such as:

- new and expanded facilities for the community
- large scale rehabilitation or replacement of existing facilities
- the cost of engineering or architectural studies and services relative to the improvement
- major equipment

The City's Constrained Capital Improvements Plan process begins with the distribution of funding request packets to each City department and the School Division. These request packets are returned to the Finance Department reflecting the chapter and page that correlates with the City of Poquoson Fiscal Year 2018-2038 Comprehensive Plan adopted on October 9, 2018, description, justification and cost of the projects. Once received, the Finance Department categorized and consolidated the information in preparation for the City Manager's review. The City Manager prioritizes the projects and prepares a Recommended Constrained Capital Improvements Plan to be forwarded to the Planning Commission for their review and recommendation to City Council. After the public hearing requirements are met, the Planning Commission then forwards to City Council the recommended CCIP.

City Council also holds a public hearing at which time the recommended CCIP is presented. City Council has the authority to approve the recommended CCIP as presented, or approve with amendments. The first year of the Adopted CCIP is incorporated into the City's Annual Financial Plan as the Capital Budget for the upcoming fiscal year.

The FY2026 to Beyond FY2030 Constrained Capital Improvements Plan was presented to the Planning Commission on September 16, 2024. The Planning Commission then held a public hearing and adopted the Plan at their October 21, 2024 meeting. On November 12, 2024, City Council held a work session, public hearing and adopted the FY2026 to Beyond FY2030 Constrained Capital Improvements Plan as presented.

On the following pages, the adopted projects for the years FY2026 through Beyond FY2030 are presented. For the FY2026 adopted CCIP projects, the full amount of the CCIP adopted may not be included for the FY2026 budget. The full Constrained Capital Improvements Plan can be found online at <https://www.ci.poquoson.va.us/280/Budgets-Financial-Reports>.

Constrained Capital Improvements Plan FY2026 to Beyond FY2030

	FY2026 Adopted Projects	FY2027 Adopted Projects	FY2028 Adopted Projects	FY2029 Adopted Projects	FY2030 Adopted Projects	Beyond FY2030 Projects
School Projects:						
High School Roof	\$ 2,600,000	-	-	-	-	-
School Bus Replacement	-	-	292,080	298,000	148,000	462,000
Phone System Upgrade	-	95,000	-	-	-	-
Asphalt Repairs	-	-	-	-	-	250,000
Primary School Metal Roof Paint	-	-	-	-	-	85,000
Elementary School HVAC	-	-	4,500,000	-	-	-
Elementary School Gym Floor	-	-	-	50,000	-	-
Elementary School Exterior Paint	-	-	-	-	-	82,000
Middle School Gym Roof	-	-	-	-	-	800,000
Middle School Gym A/C	-	-	-	-	-	320,000
Middle School Concession Bldg	-	-	-	-	-	530,000
Middle School Locker Replace	-	-	-	-	-	73,000
High School Parking Lot	-	-	-	-	-	215,000
High School Locker Room	-	-	-	-	-	115,000
High School Tennis Courts	-	-	-	-	-	450,000
High School Media Room Upgrade	-	-	-	-	-	276,000
High School Softball Renovation	-	-	-	-	-	145,000
	2,600,000	95,000	4,792,080	348,000	148,000	3,803,000
Public Safety Projects:						
Police Vehicles	160,000	168,000	176,000	185,000	203,000	223,000
Fire Vehicles - Fire Chief and Deputy	122,144	-	-	-	-	-
Engine 1 Replacement	-	1,100,000	-	-	-	-
Medic 21 Replacement	-	-	-	440,000	-	-
	282,144	1,268,000	176,000	625,000	203,000	223,000
Transportation and Drainage Projects:						
Chesapeake Bay TMDL	-	-	-	-	-	TBD
Watershed Studies	-	75,000	100,000	100,000	100,000	100,000
Traffic Signal Support System	-	-	200,000	200,000	100,000	50,000
Piping Replacement	-	-	-	300,000	-	-
Tidal Valve / Outfall Project	-	200,000	-	-	-	-
Shipwreck Island Improvements	-	125,000	850,000	-	-	-
Street Paving	703,594	557,713	508,469	444,301	578,942	570,000
	703,594	957,713	1,658,469	1,044,301	778,942	720,000

Constrained Capital Improvements Plan FY2026 to Beyond FY2030

	FY2026 Adopted Projects	FY2027 Adopted Projects	FY2028 Adopted Projects	FY2029 Adopted Projects	FY2030 Adopted Projects	Beyond FY2030 Projects
Public Works Projects						
Public Works Compound	\$ -	-	-	-	-	50,000
GMC Dump Truck Replacement	173,000	-	-	-	-	346,000
Loader Replacement	-	-	-	-	-	165,000
Grader Replacement	-	185,000	-	-	-	-
Ditch Mowers	80,000	80,000	-	-	-	-
Ford F450 Dump Truck (Parks Maint)	-	-	-	-	-	60,000
Ford F450 Dump Truck (PW Maint)	-	-	-	-	-	60,000
Street Sweeper	-	-	-	240,000	-	-
	<u>253,000</u>	<u>265,000</u>	<u>-</u>	<u>240,000</u>	<u>-</u>	<u>681,000</u>
Parks and Recreation Projects:						
City Hall Recreational Amenities	-	-	-	-	-	130,000
Gymnasium Building	-	-	-	-	-	5,590,000
Blueway Trails	-	-	28,000	-	-	-
Municipal Pool Deck and Pool House	-	-	-	-	-	773,000
Municipal Field Lighting Upgrade	-	-	-	-	-	470,000
Firth Field Lighting Replacement	-	-	-	-	-	485,000
Phillips Park Field Lighting	-	-	-	-	-	360,000
Two Tree Park Phase II	-	90,000	125,000	-	-	-
Firth Field Drainage Improvements	-	-	-	-	-	95,000
Firth Field Bleacher Replacement	-	-	-	-	-	50,000
	<u>-</u>	<u>90,000</u>	<u>153,000</u>	<u>-</u>	<u>-</u>	<u>7,953,000</u>
Facilities and Other Projects:						
City Hall Shingle Roof/Siding Replace	-	-	-	-	285,000	-
Facility Condition Assessment	150,000	-	-	-	-	-
Financial System Upgrade	200,000	-	-	-	-	-
Messick Pier Refurbish	-	-	-	-	-	200,000
Library and City Hall Recarpeting	-	-	-	-	-	155,000
	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285,000</u>	<u>355,000</u>
Solid Waste Projects:						
Debris Truck Replacements	-	-	-	-	-	460,000
Utilities Projects:						
Pump Station Upgrades	165,000	16,000	16,000	-	-	-
Pump Station Force Main Upgrades	450,000	350,000	-	-	-	-
Vacuum Trailer and Truck	225,000	-	-	-	-	-
Backup Emergency Generators	75,000	110,000	70,000	-	-	-
	<u>915,000</u>	<u>476,000</u>	<u>86,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Adopted Projects	\$ 5,103,738	3,151,713	6,865,549	2,257,301	1,414,942	14,195,000

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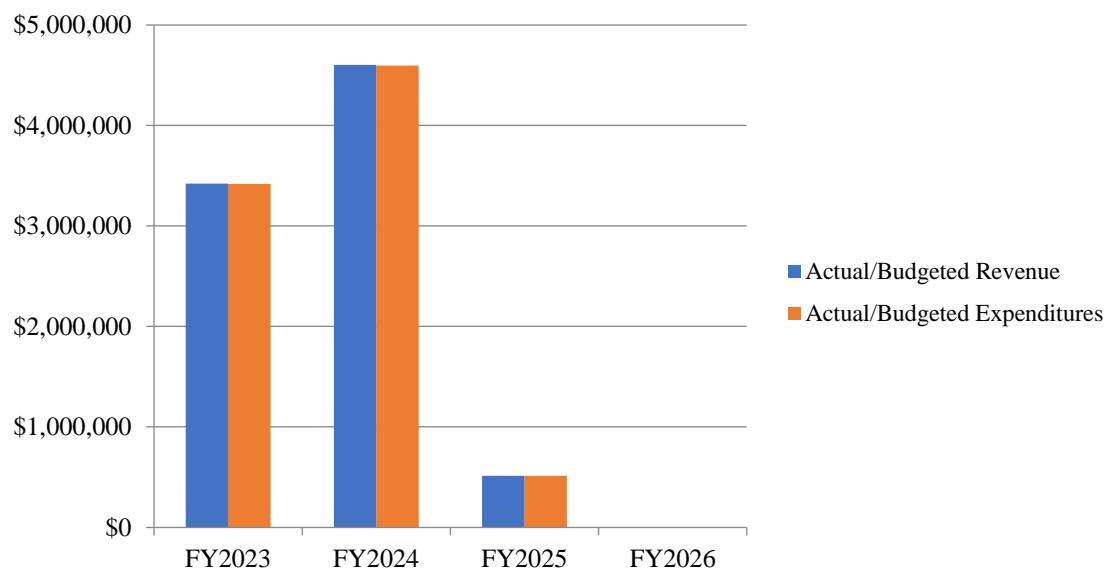
OTHER FUNDS



Special Revenue Fund/Grants Summary

The Special Revenue Fund/Grants accounts for revenues and expenditures related to State and Federal grants for community development and public safety. The City received \$15,114,864 in American Rescue Plan Act (ARPA) federal funding, which supports various projects.

The City of Poquoson is not projecting additional revenue in FY2026.



Special Revenue Fund/Grants Revenue

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Federal Revenue	\$ 3,420,266	4,601,456	515,380	-	(515,380)	-100.00%

The Special Revenue Fund/Grants accounts for all non-general grant fund revenue. The majority of this revenue is derived from specific sources (other than capital projects) that are restricted by legal and regulatory provisions to finance specific activities as identified by the grants.

For the FY2026 budget, there are no grants anticipated.

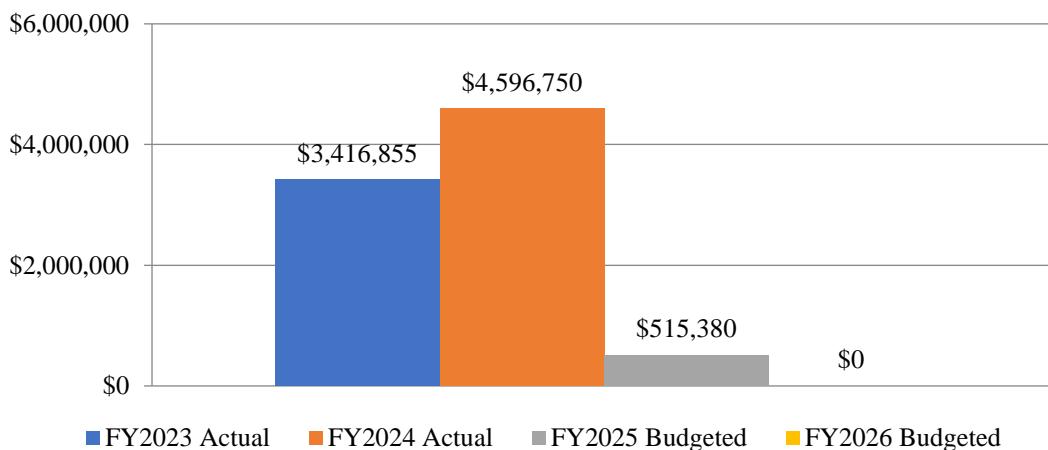
Special Revenue Fund/Grants Expenditures

In FY2023, the City of Poquoson received approximately \$15.1 million in American Rescue Plan Act (ARPA) funds. All ARPA funds must be spent or contractually committed by the end of 2024 and all funds must be expended by the end of 2026. All funds must be spent on eligible expenses and any ARPA funds unspent by the aforementioned period must be returned by the City.

Expenditures Summary

A special revenue fund is an account established by a government where funding sources must be used for a specific project. For FY2023, the City budgeted a total of \$14,113,410 for various special projects throughout the City and across all service areas. During FY2024, an additional \$486,074 was appropriated towards the extension of a sewer project. FY2025 budget, an additional \$515,380 is included for sewer projects. The Temporary Construction Manager position was included for the oversight of the Public Safety Building, but has been eliminated for FY2026 due to the completion of this construction.

Proposed and Historical Budget vs. Actual



Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	-	0.50	0.50	-	-

Expenditures by Type

		FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Admin / Small Business Grants	\$ 124,786	49,063		-	-	-	0.00%
Fire Turnout Gear	83,107	-	-	-	-	-	0.00%
Fire Power Stretchers	97,667	-	-	-	-	-	0.00%
Lifepak	68,598	-	-	-	-	-	0.00%
Airway Management Equipment	10,122	-	-	-	-	-	0.00%
Fiber Ring / WiFi Expansion	319,459	347,206	-	-	-	-	0.00%
Drainage Projects	103,461	458,127	-	-	-	-	0.00%
Watershed Study	60,000	-	-	-	-	-	0.00%
Sewer Project	-	-	515,380	-	(515,380)	-	-100.00%
Water Fill Stations	8,158	-	-	-	-	-	0.00%
Poquoson Primary School HVAC	1,236,150	639,966	-	-	-	-	0.00%
Radios	515,129	84,000	-	-	-	-	0.00%
Server Upgrades	47,915	-	-	-	-	-	0.00%
Microsoft Office	51,146	-	-	-	-	-	0.00%
South Lawson Basketball Court	-	115,000	-	-	-	-	0.00%
Public Safety Building	691,157	2,903,388	-	-	-	-	0.00%
Total	\$ 3,416,855	4,596,750	515,380		- (515,380)		-100.00%

Special Revenue Fund/OPEB Summary

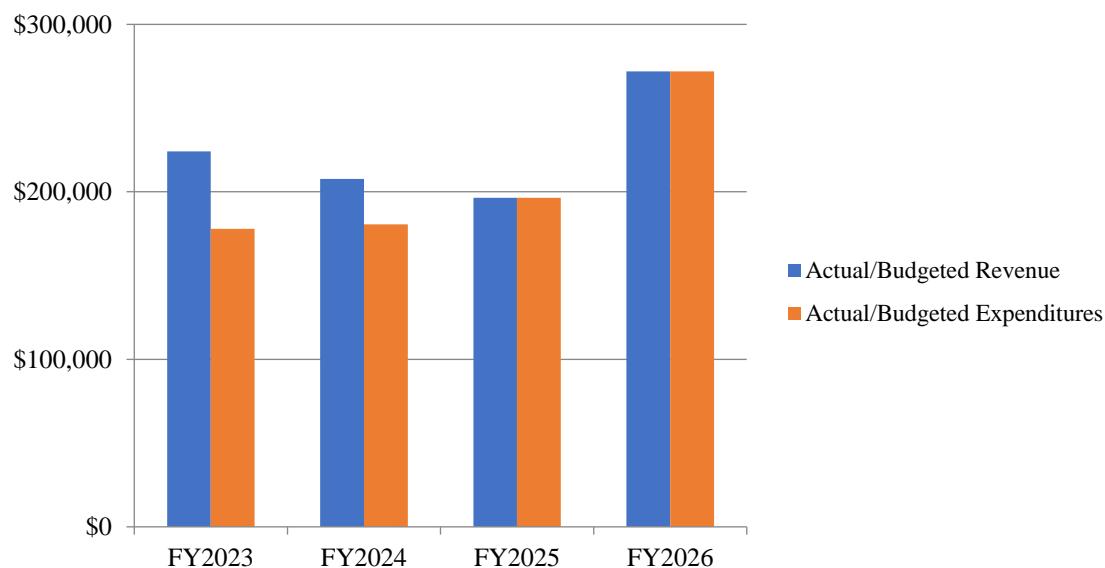
The Special Revenue Fund/OPEB accounts for revenues and expenditures related to Other Post-Employment Benefits (OPEB). Specifically, retiree health insurance.

In November 2016, City Council approved an enhanced change to OPEB effective July 1, 2017. Prior to July 1, 2017, employees who had met certain conditions were given an option of continuing health insurance coverage on the City-sponsored plan at the City's rate. The total cost of the insurance is borne by the retiree. For employees retiring July 1, 2017 or later, in addition to the previous benefits, retirees who meet additional longevity with the City and other criteria will also be able to continue health insurance coverage in the City-sponsored plan with the City subsidizing 50% of the cost of coverage until age 65, less the VRS Health Insurance Credit amount.

As part of a long-term funding plan for the benefit, the City joined the Virginia Pooled OPEB Trust Fund with other Virginia localities to begin funding and investing a portion of the projected liability.

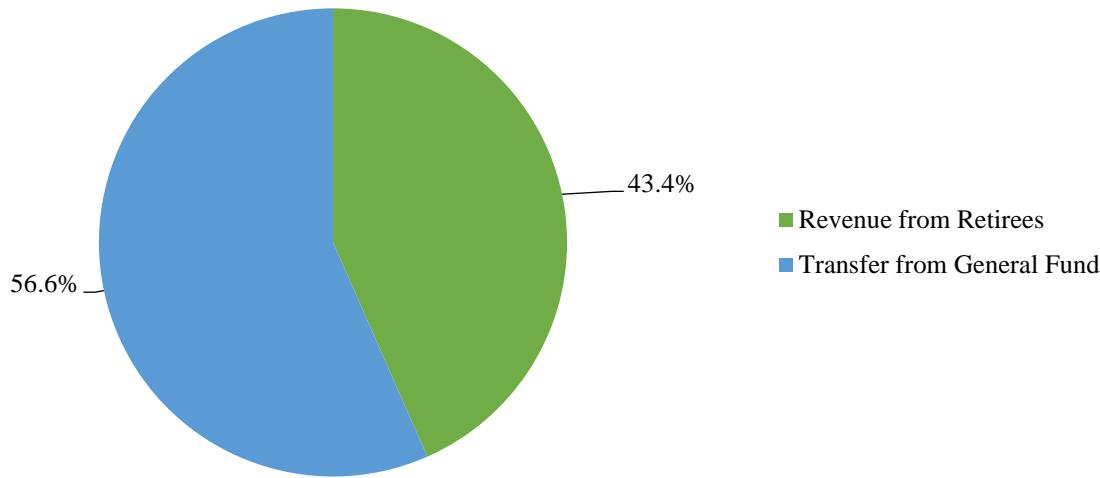
The City administers a single-employer defined benefit post-employment healthcare plan that covers all current retirees and covered dependents and will provide coverage for all future retirees and their covered dependents. Employees who are eligible for the health plan under normal retirement must have a combination of age (minimum 50 years of age) and years of service (minimum of 5 years) equal to seventy (70).

The City of Poquoson is projecting \$271,948 of revenue in FY2026, which represents a 38.4% increase over the prior year.



Special Revenue Fund/OPEB Revenue

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Revenue from Retirees	\$ 87,389	84,716	88,653	118,125	29,472	33.24%
Accrued Income	36,721	42,468	-	-	-	0.00%
Transfer from General Fund	100,000	80,556	107,835	153,823	45,988	42.65%
Total	\$ 224,110	207,740	196,488	271,948	75,460	38.40%



The fund receives two sources of revenue:

Retiree Contributions:

The retiree contributions for their portion of the cost of the elected coverage of the City-sponsored health insurance plan. Contributions are based on retirees who are eligible and elect to continue on the City-sponsored health insurance plan. The retiree contribution covers their portion of the elected benefit and the City transfers funds from the General Fund to cover the portion of the retirement cost provided by the City. Additionally, the City provides for a contribution towards the Virginia Pooled OPEB Trust Fund to assist with future costs associated with the OPEB Fund.

Transfer from the General Fund:

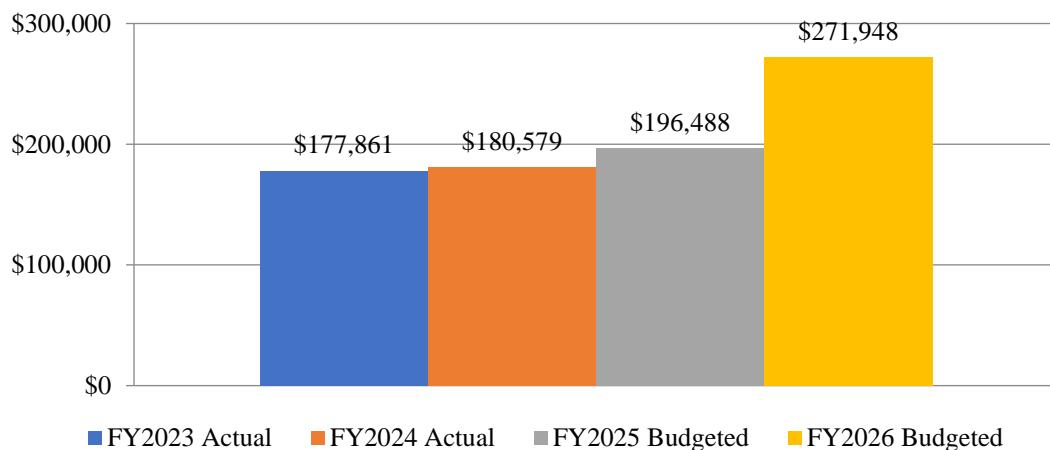
A transfer from the General Fund for the City's portion of the retirement cost for those retirees who are eligible and elect to continue and fund a yearly contribution to the Virginia Pooled OPEB Trust Fund administered by VACo/VML located in Richmond, Virginia.

Special Revenue Fund/OPEB Expenditures

Expenditures Summary

This budget is a special fund that contains the City's pension liability for other post-employment benefits. Increases and decreases to this fund per GASB 75 are budgeted appropriately each year. For FY2026, the City has budgeted \$271,948, which is an increase over FY2025 due to 2 retirements and family coverage. There are 2 retirements anticipated during FY2026, as well as an increase in the health insurance rates.

Proposed and Historical Budget vs. Actual

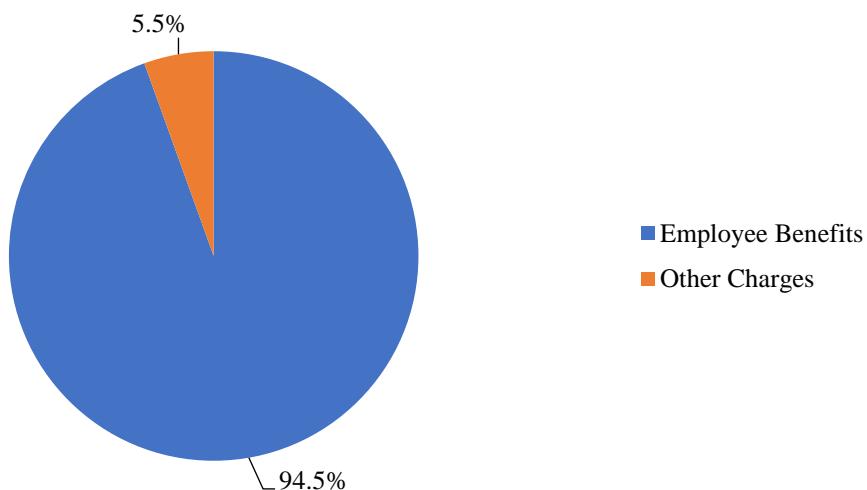


Goals and Objectives

Assure the retiree other post-employment benefits are administered and accounted for according to the personnel policies.

Expenditures by Type

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Employee Benefits	\$ 152,329	157,254	181,488	256,948	75,460	41.58%
Other Charges	25,532	23,325	15,000	15,000	-	0.00%
Total	\$ 177,861	180,579	196,488	271,948	75,460	38.40%

**Program Measures**

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
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No City Contribution:

Retiree - Dental Only	3	3	3	3
Retiree - Medical Coverage	2	2	1	1

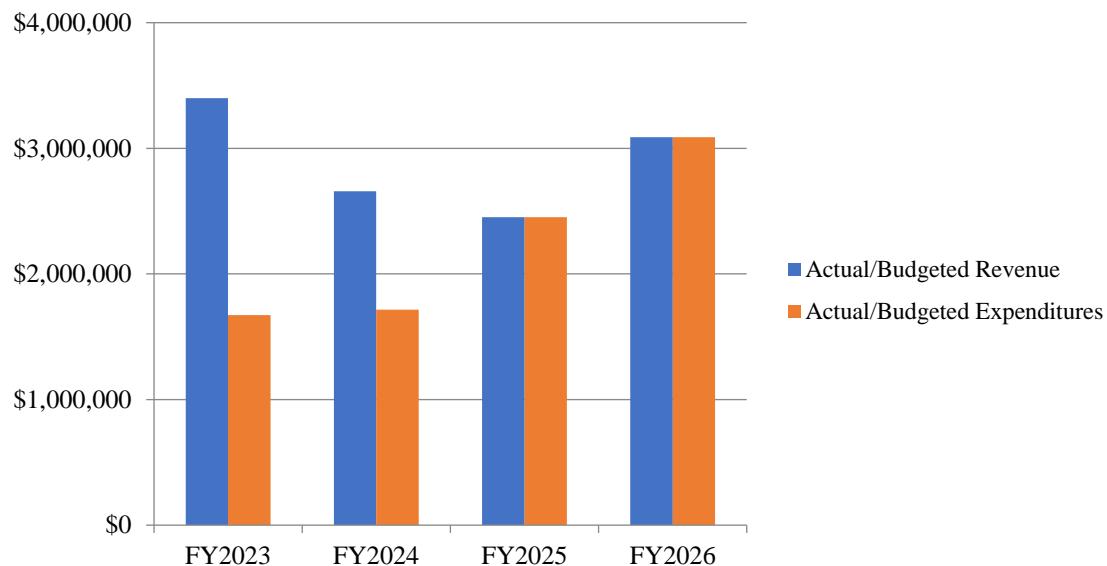
City Contribution:

Retiree - Medicare Coverage	3	3	3	3
Retiree - Medical Coverage	7	9	11	11

Sewer Fund Summary

The Utilities Fund is operated as an Enterprise Fund which is used to account for sewer operations that function as though they were a private- sector entity. An Enterprise Fund is expected to cover its costs through user charges. The Utilities Fund provides for the maintenance of sewer lines and pump stations and the debt service incurred in having the sewer originally extended and renovated. The Department provides 24-hour service for the 29 pump stations, 28 backup generators, 51.7 miles of gravity sewer lines and 12.4 miles of sewer force mains, installation of sewer taps, replacement or repair of broken or misaligned lines.

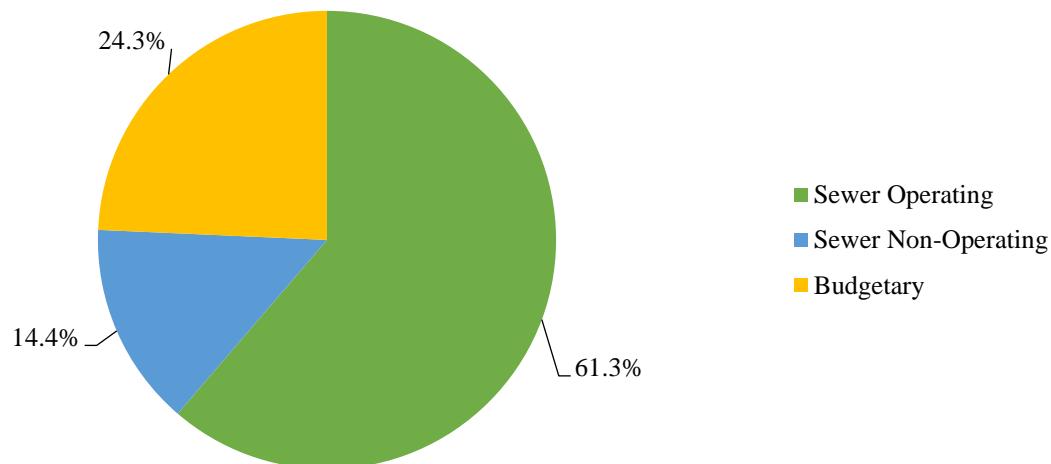
The City of Poquoson is projecting \$3,087,121 of revenue in FY2026, which represents a 25.92% increase over the prior year.



Sewer Fund Revenues by Source

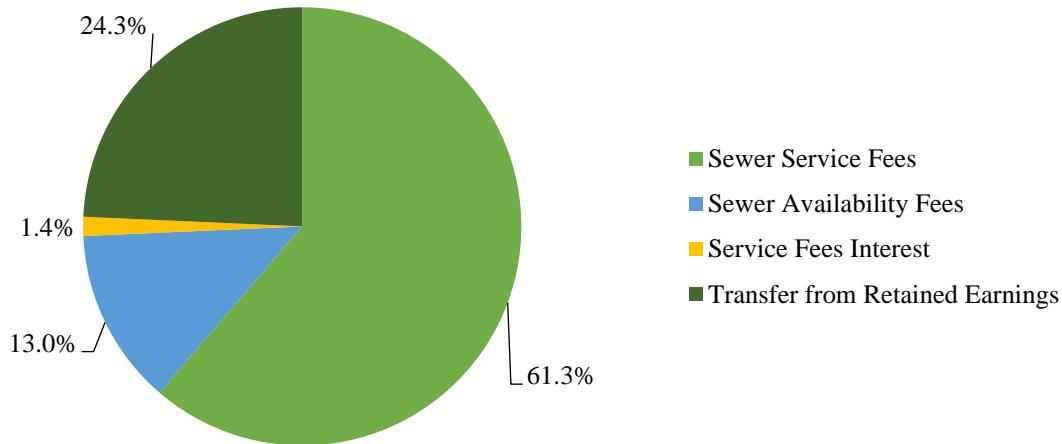
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Sewer Operating	\$ 1,799,475	1,691,087	1,830,525	1,891,550	61,025	3.33%
Sewer Non-Operating	1,600,160	965,878	445,000	445,000	-	0.00%
Transfer from Retained Earnings	-	-	176,149	750,571	574,422	326.10%
Total	\$ 3,399,635	2,656,965	2,451,674	3,087,121	635,447	25.92%

Projected FY 2026 Sewer Fund Revenues by Source



Sewer Fund Revenue

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Sewer Service Fees	\$ 1,797,728	1,691,140	1,830,525	1,806,380	(24,145)	-1.32%
Sewer Availability Fees	1,550,400	912,000	400,000	400,000	-	0.00%
Service Fees Interest	49,760	53,825	45,000	45,000	-	0.00%
Miscellaneous Revenue	1,747	-	-	-	-	0.00%
Transfer from Retained Earnings	-	-	176,149	835,741	659,592	374.45%
Total	\$ 3,399,635	2,656,965	2,451,674	3,087,121	635,447	25.92%



The Sewer Fund is operated as an Enterprise Fund which is used to account for sewer operations that function as though they were a private-sector entity. The Sewer Fund is expected to cover its costs through user charges. For FY2026, users are estimated at 5,630. The bi-monthly fee per user will remain at \$53. Commercial users are charged a flat sewer service fee plus a fee based on water consumption.

Sewer Service Fees: Each household which is connected to sewer is assessed a flat sewer service fee unless a waiver is granted by City Council. In FY2026, the Sewer Service fee will remain \$53 bi-monthly.

The Sewer Ordinance has a sliding scale that is offered to households that meet certain income requirements. It is estimated that \$27,746 in sewer fees are waived due to the scale.

In FY2026, there are 5,630 estimated users of sewer, for total revenues of \$1,806,380.

	FY 2025 Adopted Bi-Monthly Fees	FY2026 Proposed Bi-Monthly Fees	Projected Number of Accounts	FY2026 Projected Revenue	FY2026 Estimated Fees Waived
Combined Income					
\$29,000 or less	\$0.00	\$0.00	63	\$0	(\$20,034)
\$29,001 - \$37,000	\$13.25	\$13.25	20	\$1,590	(\$4,770)
\$37,001 - \$45,000	\$26.50	\$26.50	17	\$2,703	(\$2,703)
\$45,001 - \$53,700	\$39.75	\$39.75	3	\$716	(\$239)
over \$53,701	\$53.00	\$53.00	5,527	\$1,743,911	\$0
			5,630	\$1,748,920	(\$27,746)

Commercial users are charged a flat sewer service fee plus a fee based on water consumption. In FY2026, the commercial fee is adopted at \$1.75 for every 100 cubic feet of water consumed. In FY2026, it is estimated that \$57,460 in commercial water consumption fees will be collected.

Sewer Availability Fees: The sewer availability fee for a vacant lot is \$6,000. For FY2026, it is estimated that new properties will generate \$400,000 in revenue.

Water Meter Size <u>(inches)</u>	Availability <u>Fee</u>
5/8	\$6,000
3/4	\$6,600
1	\$7,200
1 1/2	\$7,800
2	\$8,400
3	\$9,000
4	\$10,500
6	\$14,500

Late Payment Fees: Represents \$5 fee bi-monthly, plus 1% interest per month on unpaid bi-monthly sewer service fees for homeowners and commercial accounts.

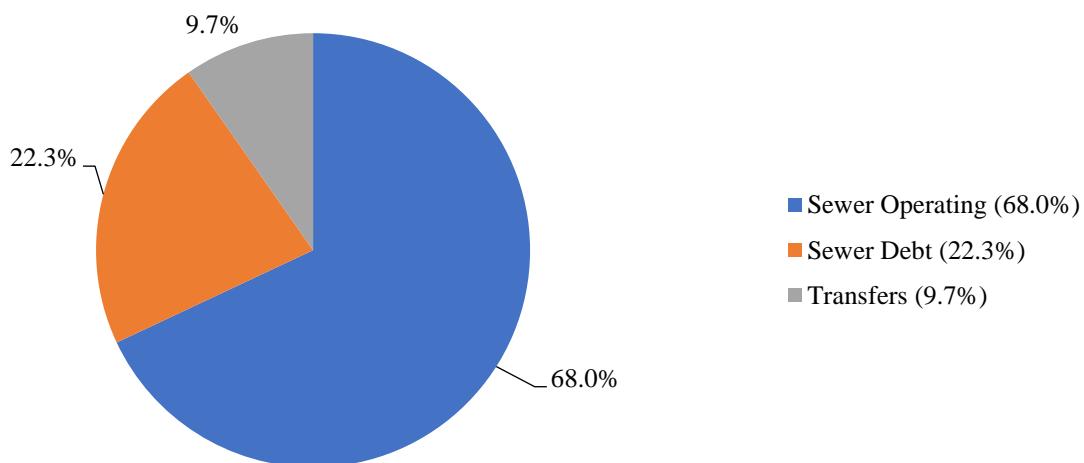
Miscellaneous Revenue: Accounts for miscellaneous revenue not classified as service fees or interest income.

Interest Income: Includes interest earned on non-restricted investments.

Sewer Fund Expenditures by Expense Type

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Sewer Operating	\$ 830,503	849,888	1,465,274	2,099,450	634,176	43.28%
Sewer Debt	14,805	7,260	686,400	687,671	1,271	0.19%
Transfers	250,000	300,000	300,000	300,000	-	0.00%
Total	\$ 1,095,308	1,157,148	2,451,674	3,087,121	635,447	25.92%

Projected FY 2026 Sewer Fund Expenditures by Expense Type



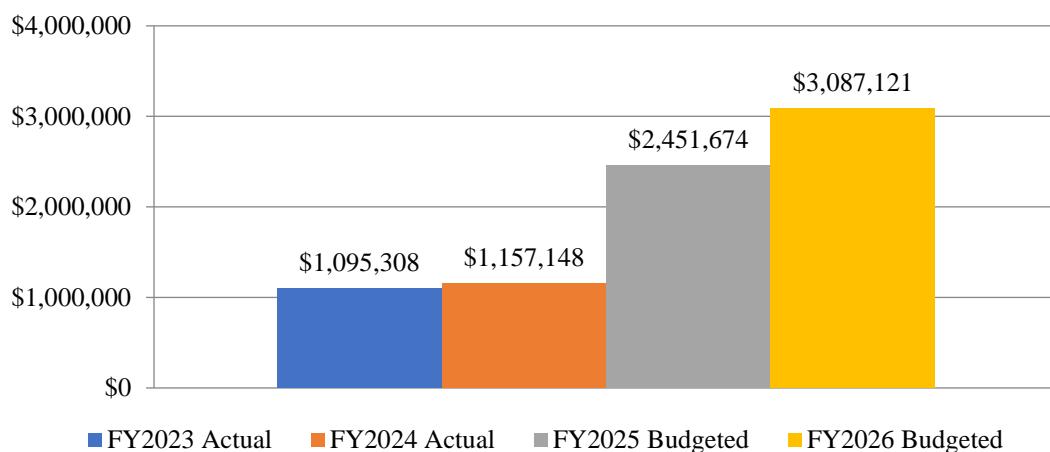
Sewer Fund Expenditures

The Sewer Fund is operated as an Enterprise Fund which is used to account for sewer operations that function as though they were a private-sector entity. An Enterprise Fund is expected to cover its costs through user charges. The Sewer Fund provides for the maintenance of sewer lines, pump stations, backup generators, and its related equipment to operate. The Department provides 24-hour service for the 29 pump stations, 52 miles of gravity sewer lines and 12.4 miles of sewer force mains, installation of sewer taps, replacement or repair of broken or misaligned lines.

Expenditures Summary

The budget for FY2026 includes a 3% base compensation increase, as well as related benefit increases. Capital outlay includes upgrade of equipment and force main upgrades at pump stations, backup emergency generators, as well as replacement of the vacuum trailer and truck.

Proposed and Historical Budget vs. Actual



Goals and Objectives

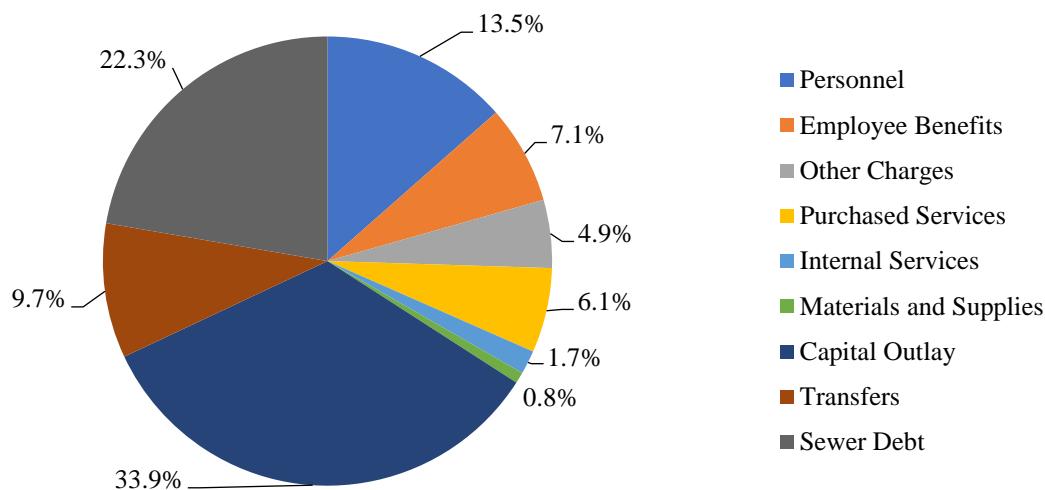
The Sewer Fund will provide excellent and timely service to the residents of Poquoson, as well as train employees on the safe operation of the entire sanitary sewer system and its equipment. The Sewer Fund is continuing to slip-line leaking main lines throughout the City, upgrading the System Control and Data Acquisition (SCADA) system, replacing E-One pumps on North Lawson Road as needed, and continue upgrading older pumps as they get closer to their end-of-life cycle.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	5.00	5.00	6.00	6.00	6.00

Expenditures by Type

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 275,239	322,681	392,800	417,372	24,572	6.26%
Employee Benefits	121,353	143,172	203,127	219,925	16,798	8.27%
Other Charges	124,056	136,906	123,800	149,150	25,350	20.48%
Purchased Services	148,559	125,583	175,700	188,200	12,500	7.11%
Internal Services	43,877	33,962	47,597	52,553	4,956	10.41%
Materials and Supplies	19,676	26,891	25,000	25,000	-	0.00%
Capital Outlay	97,743	60,693	497,250	1,047,250	550,000	110.61%
Transfers	250,000	300,000	300,000	300,000	-	0.00%
Sewer Debt	14,805	7,260	686,400	687,671	1,271	0.19%
Total	\$ 1,095,308	1,157,148	2,451,674	3,087,121	635,447	25.92%



Project Information

Pump Station

Replacement of Gorman Rupp pumps and upgrading equipment at pump stations that are past their life cycle. (Station 2D, 2E, 2F, 2G, 3, 5, 7, 8, 10A, 10B, 11, 13)

Upgrade SCADA

Upgrade the pump station system control and data acquisition (SCADA) alarm system. Advancements in electronic systems are creating a situation where parts and programming will no longer be available to support our current operating system. The continuous monitoring of all the sanitary sewer pump stations is mandated by the Department of Environmental Quality/Health Department to ensure proper operation of the sanitary sewer system. Pump Station 2 has been upgraded to a cloud based SCADA program and have plans to move forward with other stations once comfortable with new program.

Pump Station Building

Buildings are needed to protect pump station equipment and to allow space for maintenance of the pump station equipment. Currently, stations 5, 7, 8, 10 and 11 have Quonset huts, but there is limited space available inside the huts for the pumps. The temperature and humidity changes cause the equipment to rust faster than normal, and a building would help prolong the normal life cycle of the sewer pumps. Station 9 does not currently have anything to protect its equipment and Station 13 needs an expansion to allow space to perform maintenance.

Backup Emergency Diesel Generator

Installation of Back-up Emergency Diesel Generators at Pump Stations at Station #5 (Wythe Creek Road). Upon completion of this project, all sewer pump stations in the City will have generators. The cost per generator is \$38,750. Installation, transfer switches, control panel, wiring, concrete work and testing are \$27,500. The total cost per pump station is \$66,250. We have received verbal approval to get an easment allowing the City to install a back-up generator and still have the allowable setbacks. Once we receive the official approval we will order the generator and install. This will complete the goal of having back-up emergency power at all 29 pump station in the City.

Replace/Repair Manholes on Messick Road

Repair multiple (ten) leaking manholes on Messick Road. Over the years, wear and tear along with salt water from the tide coming over the road has caused some manholes on Messick Road to be rusted, resulting in the water tight seal failing. This failure allows salt water and dirt to enter the sewer system. The DEQ consent order states that if we know of leaks, we have to take action on repairing those leaks. We have a large slip lining project in this area approved and will be completed in this fiscal year. Once that project is complete we will move forward with the manhole replacement.

Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Force Main Lines	12.4	12.4	12.4	12.4
Grinder Pump Stations	18	18	18	18
Grinder Pumps Repaired	7	4	6	6
Laterals Cleaned Bi-Monthly	14	14	10	10
Laterals Cleaned Bi-Yearly	22	24	18	18
Laterals Installed	-	-	2	2
Laterals Repaired	10	29	8	8
Back-up Calls	-	68	70	70
Locations Marked for Miss Utilities	2,737	3,640	2,850	2,850
Pump Stations	29	29	29	29
Sewer Connections	5,300	4,915	5,011	5,061
Sewer Gravity Miles	52	52	52	52
Pumps Replaced	9	4	6	6
Grinder Pumps Replaced	4	4	4	4

Long-Term Debt Obligations

General long-term obligations and notes payable are comprised of the following:

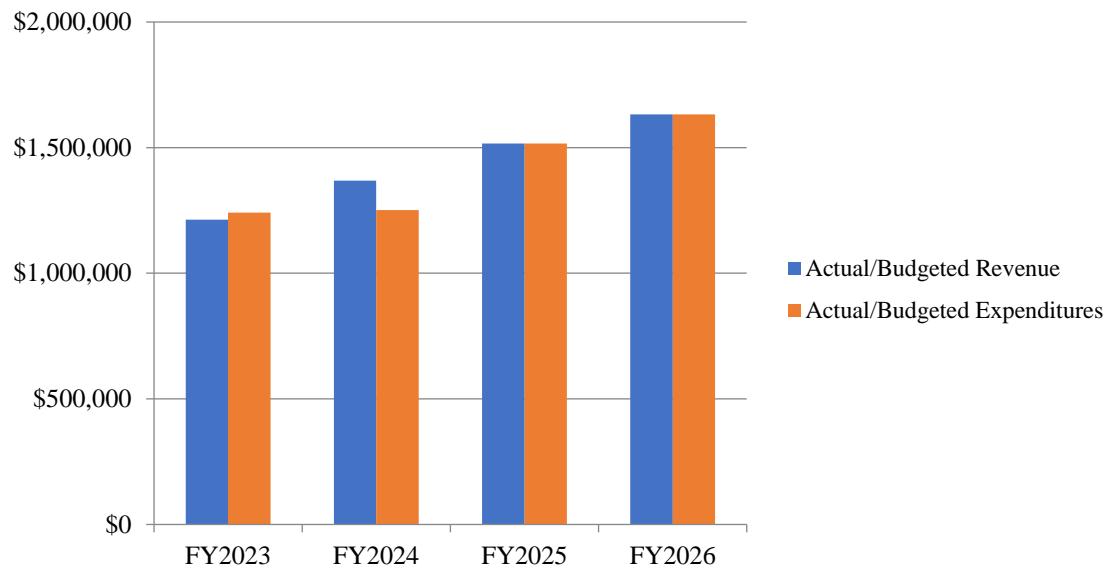
General Obligation Refunding Sewer Bonds, Series 2021B - \$3,983,000 bonds issued and due in annual installments varying from \$41,000 to \$675,000 through June 2028, with interest payable semi- annually 3%.

	Projected Balance June 30, 2025	Principal Retirement	Projected Balance June 30, 2026
Sewer Bonds, Series 2021B Refunding	\$ 2,006,000	664,000	1,342,000

Solid Waste Fund Summary

The Solid Waste Fund is an Enterprise Fund which accounts for the collection, disposal, and recycling of household and municipal solid waste, residential hazardous materials, bulky items, and landscaping debris.

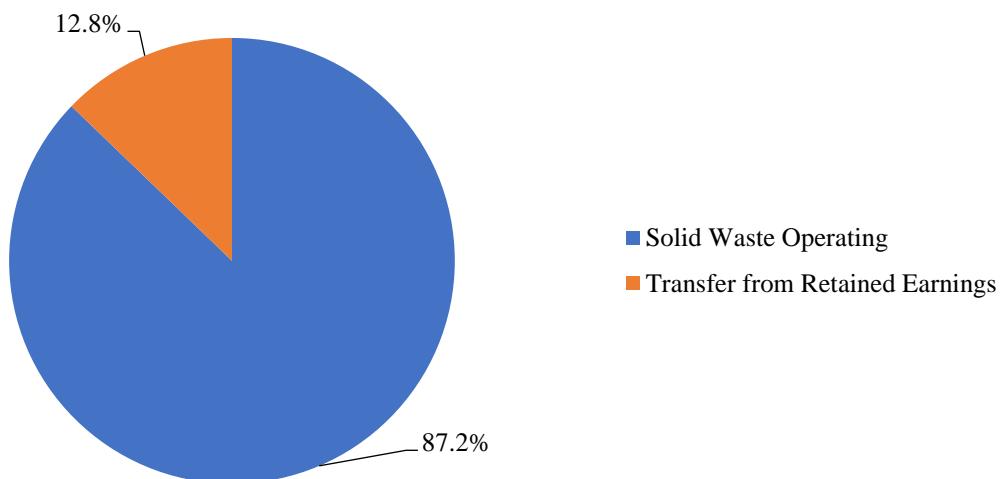
The City of Poquoson is projecting \$1,631,689 of revenue in FY2026, which represents a 7.58% increase over the prior year.



Solid Waste Fund Revenues by Source

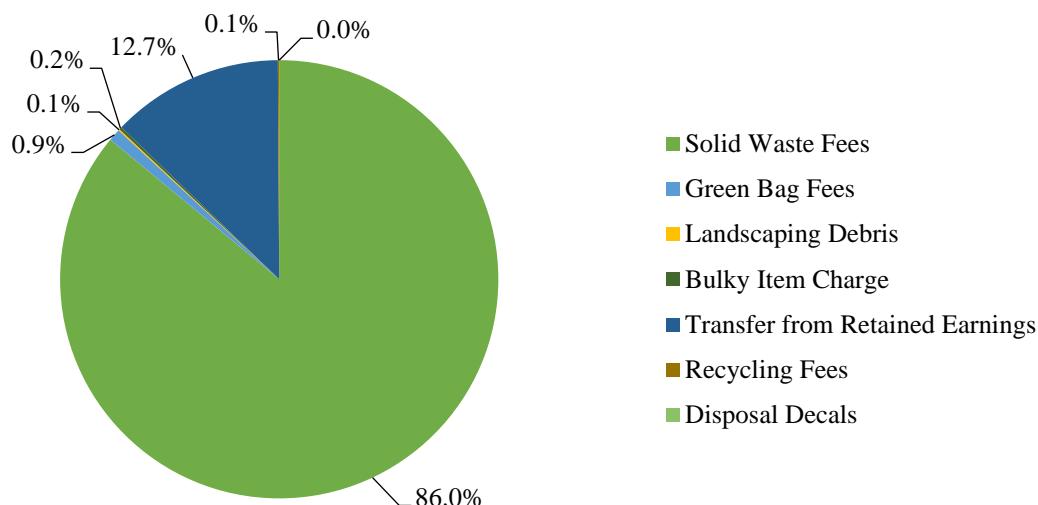
	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Solid Waste Operating	\$ 1,213,474	1,368,484	1,391,000	1,423,500	32,500	2.34%
Solid Waste Non-Operating	297	236	-	-	-	0.00%
Transfer from Retained Earnings	- -	- -	125,945	208,189	82,244	65.30%
Total	\$ 1,213,771	1,368,720	1,516,945	1,631,689	114,744	7.56%

Projected FY 2026 Sewer Fund Revenues by Source



Solid Waste Fund Revenue

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Solid Waste Fees	\$ 1,187,288	1,345,358	1,367,000	1,403,000	36,000	2.63%
Green Bag Fees	18,900	13,038	18,000	15,000	(3,000)	-16.67%
Landscaping Debris	1,380	2,580	2,000	1,500	(500)	-25.00%
Bulky Item Charge	2,633	4,158	2,500	2,500	-	0.00%
Recycling Fees	2,588	2,762	1,000	1,000	-	0.00%
Disposal Decals	440	588	500	500	-	0.00%
Miscellaneous Revenue	245	-	-	-	-	0.00%
Late Fees	297	236	-	-	-	0.00%
Transfer from Retained Earnings	-	-	125,945	208,189	82,244	65.30%
Total	\$ 1,213,771	1,368,720	1,516,945	1,631,689	114,744	7.56%



Solid Waste Fees: The fees are based on the container/cart program implemented on October 1, 2007. Citizens have the option to choose from 3 plans, or an additional 2 plans, if eligible. The Solid Waste Ordinance has a sliding scale that is offered to households who meet certain income requirements. It is estimated that \$14,598 of Solid Waste fees will be waived due to the scale. The combined rate for Solid Waste includes garbage and recycling.

Residents have a choice of Plan A, Plan B or Plan C. Residents who qualify have a choice of Plan D for pick-up every other week based on age. Plan E is offered only to residents who live on a private lane or townhomes where hardship exists that a trash container/cart is impractical to use. Residents choosing Plan E will still use the pay-by-the-bag system and the bi-monthly fee is to cover the cost of recycling. All residents may use the pay-by-the-bag system when their chosen trash container/cart is not large enough for their weekly trash service. Trash bags will still be available for purchase at local businesses.

	FY 2025	FY2026		FY2026	
	Adopted Bi-Monthly Fees	Proposed Bi-Monthly Fees	Projected Number of Units	FY2026 Projected Revenue	Estimated Fees Waived
Plans:					
A - 35 gallon container	\$40.00	\$40.00	1,562	\$363,366	(\$4,980)
B - 65 gallon container	\$56.00	\$56.00	2,727	\$904,316	(\$6,468)
C - Two 65 gallon containers	\$90.00	\$90.00	186	\$100,440	\$0
D - 35 gallon container (<i>bi-weekly</i>)	\$30.00	\$30.00	176	\$28,530	(\$3,150)
E - no container (<i>private lanes/townhouses</i>)	\$23.00	\$23.00	46	\$6,348	\$0
			4,697	\$1,403,000	(\$14,598)

Bag Fees: The fee for the green bags remains at 5 bags for \$8.75 per package (\$1.75 per bag). This fee has been the same for the previous seventeen fiscal years.

Landscaping Debris Charges: The City provides curbside pickup service for woody waste for a fee of \$60 per pickup. The fee is intended to cover a small portion of the cost incurred in picking up landscaping debris. The City is estimated to pay VPPSA \$58,556 to operate the composting/disposal facility in FY2026. Residents may take their landscaping debris to the VPPSA regional composting facility located at the York County Landfill at no charge to the resident. Residents may also bring woody waste to a free designated drop off site that is provided twice a month.

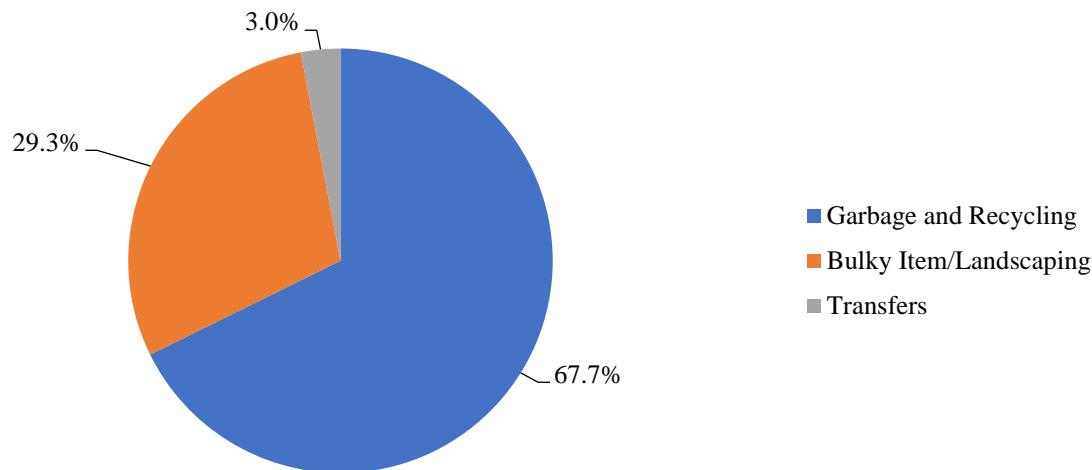
Bulky Item Charge: The City also provides curbside pickup for bulky items. The fee is \$63 per pickup. The fee is intended to limit the number of bulky item pickups in a year, not to cover the cost of the operation. In 2011, the City implemented a free drop off service twice a month for residents to dispose of unwanted items instead of paying for a residential pickup.

Recycle Can Fee: Due to request of residents, the City will provide to residents upon request a second recycle can. The fee (\$6 per month/\$12 per billing cycle) is based on the per cart fee charged to the City.

Solid Waste Fund Expenditures by Expense Type

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Garbage and Recycling	\$ 852,692	827,458	1,035,862	1,105,103	69,241	6.68%
Bulky Item/Landscaping	338,021	373,576	431,083	476,586	45,503	10.56%
Transfers	50,000	50,000	50,000	50,000	-	0.00%
Total	\$ 1,240,713	1,251,034	1,516,945	1,631,689	114,744	7.56%

Projected FY 2026 Solid Waste Fund Expenditures by Expense Type



Solid Waste Fund Expenditures

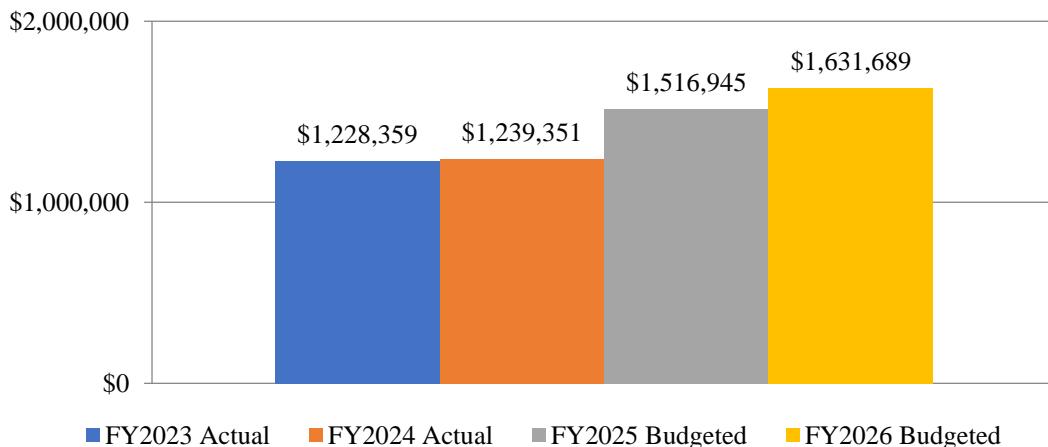
The Solid Waste Fund is an Enterprise Fund which accounts for the collection, disposal, and recycling of household and municipal solid waste, residential hazardous materials, bulky items and landscaping debris.

In January 2007, City Council adopted a Committee's recommendation and City staff implemented the container/cart program on October 1, 2007. This program utilizes contracted disposal of all household solid waste.

Expenditures Summary

The budget for FY2026 totals \$1,631,689 and includes a 3% base compensation increase, as well as related benefit increases. The Solid Waste budget for FY2026 reflects additional funding for increased landfill costs and motor vehicle parts.

Proposed and Historical Budget vs. Actual



Goals and Objectives

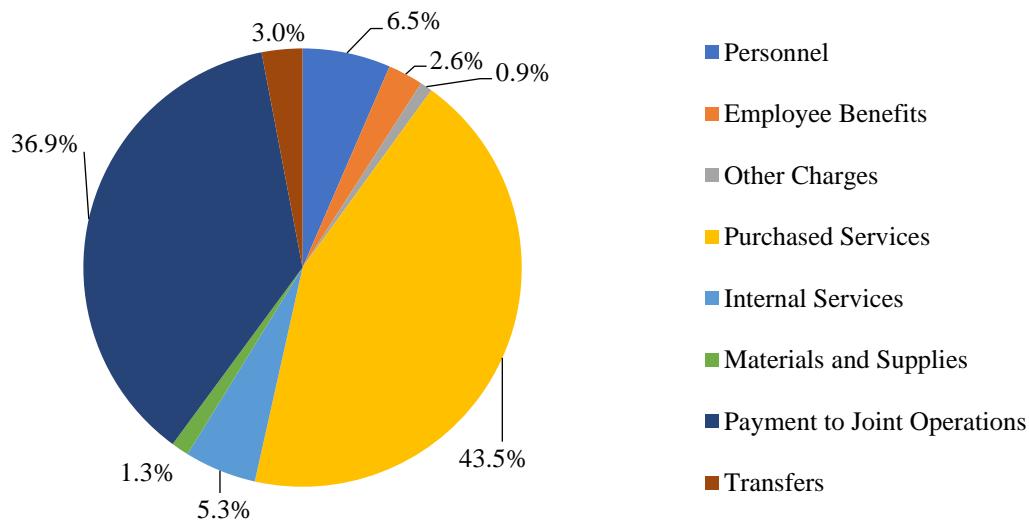
Oversee the contracts and contractors for collection of curbside trash and recycling. Run the following programs: bulk and landscape debris, fall leaf pickup, used oil and tire collection, and the convenience site.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	1.00	1.00	1.00	1.00	1.00

Expenditures by Type

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 89,486	90,248	102,163	106,312	4,149	4.06%
Employee Benefits	30,460	30,705	39,135	42,717	3,582	9.15%
Other Charges	17,564	17,119	14,700	14,600	(100)	-0.68%
Purchased Services	537,794	549,316	658,341	709,203	50,862	7.73%
Internal Services	67,946	56,309	78,719	85,985	7,266	9.23%
Materials and Supplies	34,827	8,265	23,024	21,380	(1,644)	-7.14%
Payment to Joint Operations	400,282	437,389	550,863	601,492	50,629	9.19%
Transfers	50,000	50,000	50,000	50,000	-	0.00%
Total	\$ 1,228,359	1,239,351	1,516,945	1,631,689	114,744	7.56%

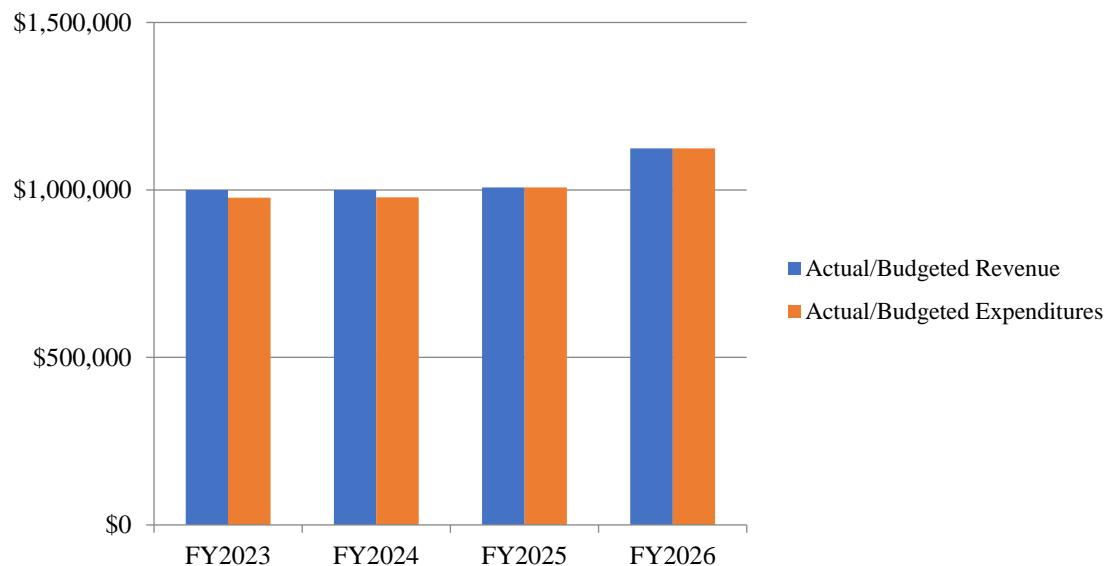
**Program Measures**

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Trash Collected (tons)	3,042	3,192	3,300	3,500
Recyclables Collected (tons)	968	856	990	968
Waste Oil Collected for Recycling (gallons)	1,855	2,712	2,000	2,500
Bulky Items Debris Collected for Disposal (tons)	1,960	1,655	2,100	2,000
Landscape Debris Collected for Recycling (tons)	404	564	500	500
Metal Items Collected for Recycling (tons)	18	8	18	8
Used Tires Collected for Recycling (tons)	11	11	11	11
Convenience Site Total Visitors	13,040	12,346	13,500	13,500

Fleet Management Fund Summary

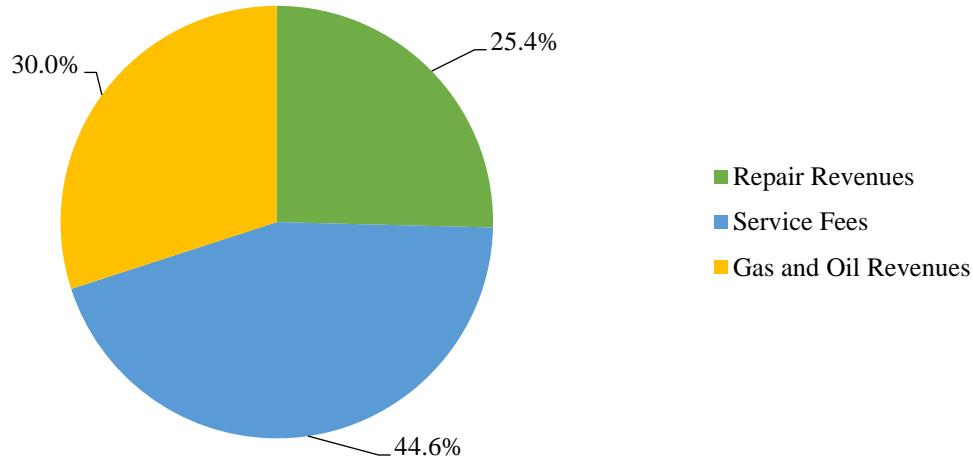
The Fleet Management Fund is operated as an Internal Service Fund. An Internal Service Fund is used to account for the financing of costs of services provided by one department to other departments or agencies of the governmental unit, or to other governmental units on a cost- reimbursement basis. Internal Service Funds are classified as proprietary funds in recognition of the commercial accounting principles they follow. The Fleet Management Fund, which consists of the garage operation, provides maintenance/repair service of all City vehicles and equipment as well as School Division vehicles and buses. The charging of garage services through an Internal Service Fund allows for equitable distribution of the cost of operating the garage to the departments using the services. Each department is billed directly for repair and maintenance of vehicles. The Fleet Management Fund also provides fuel and lubricants for City and School vehicles, which are billed directly to the departments based on usage.

The City of Poquoson is projecting \$1,124,029 of revenue in FY2026, which represents a 11.52% increase over the prior year.



Fleet Management Fund Revenue

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Repair Revenues	\$ 304,888	338,851	261,400	285,700	24,300	9.30%
Service Fees	347,209	352,612	422,626	501,372	78,746	18.63%
Gas and Oil Revenues	347,692	308,298	323,863	336,957	13,094	4.04%
Total	\$ 999,789	999,761	1,007,889	1,124,029	116,140	11.52%



The Fleet Management Fund revenue budget for FY2026 projects an increase based on increased services for repair revenues, service fees and gas and oil revenues.

Parts and Contracted Services:

Anticipated revenue for charges to users for the cost of parts for vehicles and equipment. Parts and contracted services are charged to departments based on actual costs incurred. The amount for FY2026 is based on estimates from the Fleet Manager.

Garage Labor and Overhead:

Fleet employee salaries, benefits, and garage charges are billed to users as labor involved with repairing and maintaining vehicles and equipment. Each department is charged a pro- rated share of the Fleet operating costs based on the anticipated time that will be spent repairing and maintaining their vehicles in Fiscal Year 2026. Departments' labor line item is charged based on the overall percentage of vehicles and equipment for each department.

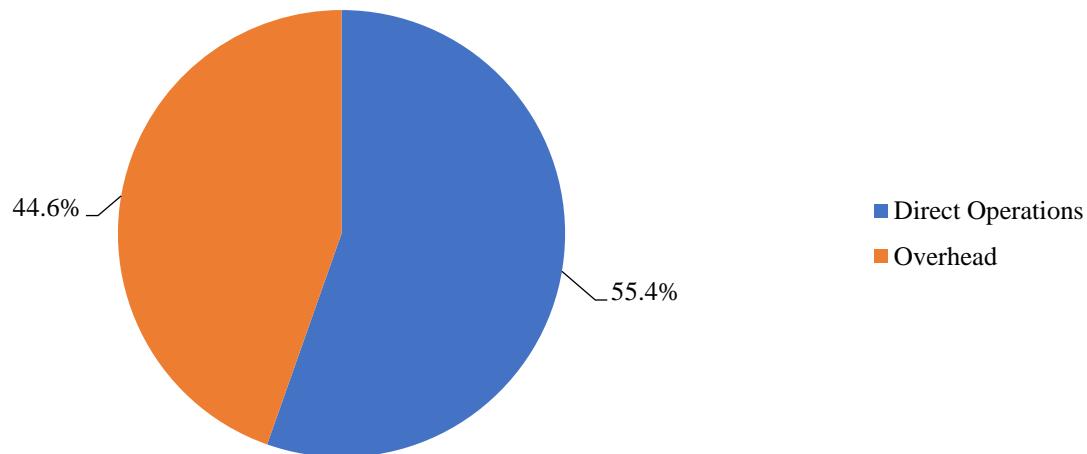
Gas and Oil Revenues:

Projected revenues from the direct billing to users of gas and oil for vehicles and equipment. Gas and oil are charged to departments based on actual costs incurred. The increase is based on an estimated cost of \$3.50 per gallon of fuel. Usage is an estimated 33,775 gallons of diesel fuel and 60,074 gallons of gasoline. Anticipated oil usage is 1,883 gallons at a cost of \$4.50 per gallon.

Fleet Management Fund Expenditures by Expense Type

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Fleet Direct Operations	\$ 626,484	607,229	585,263	622,657	37,394	6.39%
Fleet Overhead	350,719	370,299	422,626	501,372	78,746	18.63%
Total	\$ 977,203	977,528	1,007,889	1,124,029	116,140	11.52%

Projected FY 2026 Fleet Management Fund by Expense Type



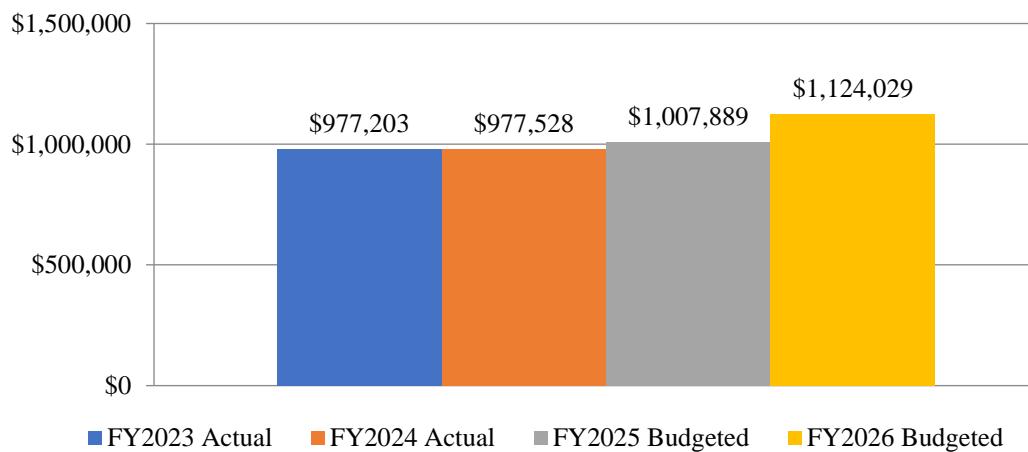
Fleet Management Fund Expenditures

The Fleet Management Fund is operated as an Internal Service Fund. An Internal Service Fund is used to account for the financing of costs of services provided by one department to other departments or agencies of the governmental unit, or to governmental units on a cost-reimbursement basis. Internal Service Funds are classified as proprietary funds in recognition of the commercial accounting principles they follow. The Fleet Management Fund, which consists of the garage operation, provides maintenance/repair service of all City vehicles and equipment as well as the School Division vehicles and buses. The charging of garage services through an Internal Service Fund allows for equitable distribution of the cost of operating the garage to the departments using the services. Each department is billed directly for repair and maintenance of vehicles. The Fleet Management Fund also provides fuel and lubricants for City and School vehicles, which are billed directly to the departments based on usage.

Expenditures Summary

The budget for FY2026 includes a 3% base compensation increase, as well as related benefit increases. The main operational increase within the Fleet budget for FY2026 is direct costs for fuel and lubricants within fleet overhead.

Proposed and Historical Budget vs. Actual



Goals and Objectives

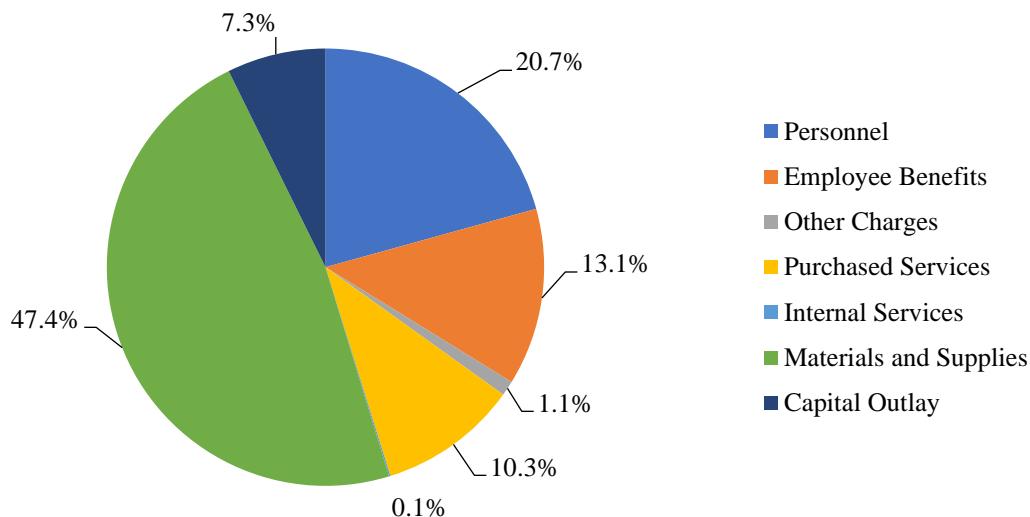
Maintaining 90% or higher rate on in-house repairs. Additionally, performing visual inspections during preventive maintenance work and addressing issues seen during inspections cut back on overall parts transactions and cost.

Personnel Summary

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Requested	FY 2026 Authorized
FTEs	3.50	3.50	3.50	3.50	3.50

Expenditures by Type

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2026 Budgeted	\$ Change	% Change
Personnel	\$ 217,399	220,550	231,730	232,936	1,206	0.52%
Employee Benefits	97,458	112,024	143,148	146,703	3,555	2.48%
Other Charges	11,002	11,444	12,700	12,750	50	0.39%
Purchased Services	94,463	139,533	99,180	116,080	16,900	17.04%
Internal Services	368	282	739	1,060	321	43.44%
Materials and Supplies	545,836	483,546	504,754	532,948	28,194	5.59%
Capital Outlay	10,677	10,149	15,638	81,552	65,914	421.50%
Total	\$ 977,203	977,528	1,007,889	1,124,029	116,140	11.52%



Program Measures

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Estimated
Number of Vehicles and Equipment	364	360	355	360
% of Maintenance Performed In-House	95%	94%	95%	95%
Scheduled Maintenance Work Order	472	463	500	500
Unscheduled Maintenance Work Orders	977	878	1,000	925
Sublet Work Orders (Outside Repairs)	70	85	80	75
Service Calls for Repairs Out of Shop	50	29	70	50
Parts Transaction	2,060	1,702	2,800	2,000

SUPPLEMENTARY INFORMATION



Authorized Positions by Department

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Authorized
GENERAL FUND				
City Council				
City Clerk	0.40	0.40	0.40	0.40
City Manager				
City Manager	1.00	1.00	1.00	1.00
Assistant City Manager	1.00	1.00	1.00	1.00
Human Resources Director	-	-	1.00	1.00
Assistant to the City Manager	0.60	0.60	0.60	0.60
Executive Assistant	1.00	1.00	1.00	1.00
Part-Time	0.20	0.20	0.20	0.20
	3.80	3.80	4.80	4.80
Commissioner of the Revenue				
Commissioner of the Revenue	1.00	1.00	1.00	1.00
Deputy Commissioner II	1.00	1.00	1.00	1.00
Deputy Commissioner I	1.00	1.00	1.00	1.00
Assessment Technician / DMV Clerk	1.00	1.00	1.00	1.00
	4.00	4.00	4.00	4.00
Assessor				
Real Estate Assessor	1.00	1.00	1.00	1.00
Assessor Technician	1.00	1.00	1.00	1.00
	2.00	2.00	2.00	2.00
Treasurer				
Treasurer	1.00	1.00	1.00	1.00
Deputy Treasurer	1.00	1.00	1.00	1.00
Accounting Technician	1.00	1.00	1.00	1.00
Accounting Clerk	1.00	1.00	1.00	1.00
	4.00	4.00	4.00	4.00
Finance				
Finance Director	1.00	1.00	1.00	1.00
Accountant / Assistant Finance Director	1.00	1.00	1.00	1.00
Account Analyst	1.00	1.00	1.00	1.00
Payroll and Finance Specialist	1.00	1.00	1.00	1.00
	4.00	4.00	4.00	4.00

Authorized Positions by Department

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Authorized
Registrar				
Registrar	1.00	1.00	1.00	1.00
Assistant Registrar	1.00	1.00	1.00	1.00
Part-Time	0.10	0.10	0.10	0.10
	2.10	2.10	2.10	2.10
Police				
Police Chief	1.00	1.00	1.00	1.00
Captain / Assistant Police Chief	1.00	1.00	1.00	1.00
Lieutenant	2.00	2.00	2.00	2.00
Planning and Admin. Sergeant	1.00	1.00	1.00	1.00
Investigations Sergeant	1.00	1.00	1.00	1.00
Patrol Sergeant	4.00	4.00	4.00	4.00
School Resource Sergeant	1.00	1.00	1.00	1.00
Detective	3.00	3.00	3.00	3.00
Corporal	4.00	4.00	4.00	4.00
School Resource Officer	3.00	3.00	3.00	3.00
Police Officer - Patrol	8.00	11.00	11.00	11.00
Records Administrator	1.00	1.00	1.00	1.00
Office Manager	1.00	1.00	1.00	1.00
Property Evidence Technician (Part-Time)	0.50	0.50	0.50	0.50
Property Evidence Specialist (Part-Time)	0.50	-	-	-
	32.00	34.50	34.50	34.50
Fire				
Fire Chief / Fire Official	1.00	1.00	1.00	1.00
Deputy Fire Chief / Emergency Mgmt. Coord.	1.00	1.00	1.00	1.00
Battalion Chief	3.00	3.00	3.00	3.00
Fire Lieutenant	3.00	3.00	3.00	3.00
Firefighter - Paramedic, Enhanced or EMT	24.00	27.00	27.00	27.00
Office Manager	1.00	1.00	1.00	1.00
	33.00	36.00	36.00	36.00

Authorized Positions by Department

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Authorized
Inspections				
Inspector	1.00	1.00	1.00	1.00
Building Official	1.00	1.00	1.00	1.00
Senior Building Inspector	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
Part-Time	0.75	-	-	-
	4.75	4.00	4.00	4.00
Engineering				
City Engineer	1.00	1.00	1.00	1.00
Engineer I	1.00	1.00	1.00	1.00
	2.00	2.00	2.00	2.00
Public Works				
Director of Public Works	1.00	1.00	1.00	1.00
Public Works Manager/Construction Supervisor	1.00	1.00	-	-
Operations Manager	-	-	1.00	1.00
Street Maintenance Supervisor	1.00	1.00	1.00	1.00
Senior Crew Leader	1.00	1.00	1.00	1.00
Crew Leader	1.00	1.00	1.00	1.00
Equipment Operator II	1.00	1.00	1.00	1.00
Equipment Operator I	2.00	2.00	2.00	2.00
Maintenance Worker IV	1.00	1.00	1.00	1.00
Maintenance Worker III	2.00	2.00	2.00	2.00
Maintenance Worker II	1.00	1.00	1.00	1.00
Maintenance Worker I	2.00	2.00	2.00	2.00
Parks Maintenance Supervisor	1.00	1.00	1.00	1.00
Parks Maintenance Worker	2.00	2.00	2.00	2.00
Administrative Assistant	-	-	0.50	0.50
Office Manager	0.50	0.50	-	-
	17.50	17.50	17.50	17.50
Facilities				
Facilities Maintenance Technician	1.00	1.00	1.00	1.00
Part-Time	-	0.75	0.75	0.75
	1.00	1.75	1.75	1.75

Authorized Positions by Department

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Authorized
Mosquito and Drainage				
Crew Leader	2.00	2.00	2.00	2.00
Mosquito and Drainage Technician I	1.00	1.00	1.00	1.00
Part-Time	0.75	0.75	0.75	0.75
	3.75	3.75	3.75	3.75
Parks and Recreation - Programs				
Director of Community Recreation	1.00	1.00	1.00	1.00
Assistant Director of Community Recreation	0.50	0.50	0.50	-
Senior Program Technician	-	-	-	0.50
Recreation Program Specialist	-	-	1.00	1.00
Program Support Technician	1.00	1.00	1.00	1.00
Office Manager	-	-	-	1.00
Administrative Support Technician	1.00	1.00	1.00	-
Part-Time	0.30	0.30	0.30	0.30
	3.80	3.80	4.80	4.80
Parks and Recreation - Pool				
Assistant Director of Community Recreation	0.50	0.50	0.50	-
Senior Program Technician	-	-	-	0.50
Part-Time	4.50	4.50	4.50	4.50
	5.00	5.00	5.00	5.00
Special Events				
Community Events Coordinator	1.00	1.00	-	-
Library				
Library Director	1.00	1.00	1.00	1.00
Adult Services Librarian	1.00	1.00	1.00	1.00
Youth Services Librarian	1.00	1.00	1.00	1.00
Technical Services Librarian	1.00	1.00	1.00	1.00
Library Associate - Circulation and Volunteer	-	1.00	1.00	1.00
Administrative Services Coordinator	1.00	1.00	1.00	1.00
Library Associate	2.65	2.15	2.15	2.15
Library Assistant	4.30	3.60	3.60	3.60
Library Page	0.50	0.50	0.50	0.50
	12.45	12.25	12.25	12.25

Authorized Positions by Department

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Authorized
Planning				
Director of Community Development	1.00	1.00	1.00	1.00
Planner	1.00	1.00	1.00	1.00
Environmental Compliance Officer	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
	4.00	4.00	4.00	4.00
Economic Development				
Economic Development Coordinator	1.00	1.00	-	-
DMV Select				
Senior DMV Service Clerk	1.00	1.00	1.00	1.00
DMV Service Clerk	1.00	1.00	1.00	1.00
	2.00	2.00	2.00	2.00
Special Events				
Community Events Coordinator	1.00	1.00	-	-
Total General Fund Authorized Positions	142.55	147.10	147.85	147.85

Authorized Positions by Department

	FY 2023 Authorized	FY 2024 Authorized	FY 2025 Authorized	FY 2026 Authorized
OTHER FUNDS				
Special Revenue Fund / Grants				
Temporary Construction Manager	-	0.50	0.50	-
Sewer Fund				
Utilities Director	1.00	1.00	1.00	1.00
Utilities Foreman	1.00	1.00	1.00	1.00
Utilities Technician	1.00	1.00	1.00	1.00
Utilities Worker	2.00	2.00	3.00	3.00
	5.00	5.00	6.00	6.00
Solid Waste Fund				
Equipment Operator II	1.00	1.00	1.00	1.00
Fleet Management Fund				
Fleet Maintenance Supervisor	1.00	1.00	1.00	1.00
Chief Mechanic	1.00	1.00	1.00	1.00
Mechanic	1.00	1.00	1.00	1.00
Administrative Assistant	-	-	0.50	0.50
Office Manager	0.50	0.50	-	-
	3.50	3.50	3.50	3.50
Total Other Funds Authorized Positions	9.50	10.00	11.00	10.50
Total Authorized Positions for All Funds	152.05	157.10	158.85	158.35

Demographic Statistics

Year	Population (1)	Personal Income (2)	Per Capita	Unemployment Rate % (3)
			Personal Income (2)	
2015	12,359	\$4,367	\$54,592	4.1%
2016	12,287	\$4,334	\$55,344	3.5%
2017	12,311	\$4,529	\$56,729	3.5%
2018	12,320	\$4,731	\$58,119	2.7%
2019	12,395	\$4,938	\$59,892	2.5%
2020	12,373	\$5,220	\$62,645	6.0%
2021	12,475	\$5,547	\$66,561	3.3%
2022	12,574	\$5,693	\$68,311	2.4%
2023	12,582	\$6,102	\$73,221	2.5%
2024	12,635	N/A	N/A	2.5%

Source: (1) Weldon Cooper Center for Public Service

(2) Bureau of Economic Analysis combined amount for York County/City of Poquoson

(3) Bureau of Labor Statistics

N/A – This information is not yet available.

Assessed Value of Taxable Real Property

Fiscal Year	Commercial /			Total Taxable Assessed Value	Tax Exempt Property	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Industrial Property	Agricultural Property				
2015	\$ 1,419,250,800	97,448,871	2,012,700	1,518,712,371	104,076,490	1,518,712,371	100%
2016	1,416,700,300	106,316,055	2,018,000	1,525,034,355	104,751,400	1,540,287,555	99%
2017	1,422,141,000	108,653,342	2,018,000	1,532,812,342	104,188,800	1,548,341,465	99%
2018	1,481,592,900	99,130,100	2,018,600	1,582,741,600	104,112,600	1,583,888,262	100%
2019	1,495,634,600	99,817,800	2,018,600	1,597,471,000	102,206,400	1,616,917,675	99%
2020	1,552,706,200	100,417,400	2,018,600	1,655,142,200	102,206,400	1,655,332,400	101%
2021	1,561,914,700	101,399,100	2,018,600	1,665,332,400	101,789,500	1,680,154,100	99%
2022	1,678,040,300	102,023,000	2,018,600	1,782,081,900	103,575,500	1,782,081,900	100%
2023	1,692,612,100	102,319,100	2,018,600	1,796,949,800	104,048,900	1,796,949,800	100%
2024	1,919,326,900	127,365,600	2,018,600	2,048,711,100	116,258,200	2,048,711,100	100%

Source: City of Poquoson Annual Comprehensive Financial Report, June 30, 2024, Table 5.

List of Principal Employers

Employer	Number of Employees	Percentage of Total City Employment
Poquoson City Public Schools	281	15.90%
City of Poquoson	183	10.36%
Food Lion	80	4.53%
Golden Living Center / Bayside	44	2.49%
Surf Rider	44	2.49%
Schooners	39	2.21%
Dominion Village at Poquoson	38	2.15%
McDonald's Restaurant	32	1.81%
Poquoson Veterinary Hospital	28	1.58%
Mares Exterminating	26	1.47%
Wendy's Restaurant	25	1.41%
Taylor's Do It Center	16	0.91%
Stephen's Office Supply	12	0.68%
	848	47.99%

Source: City of Poquoson Annual Comprehensive Financial Report, June 30, 2024, Table 12.

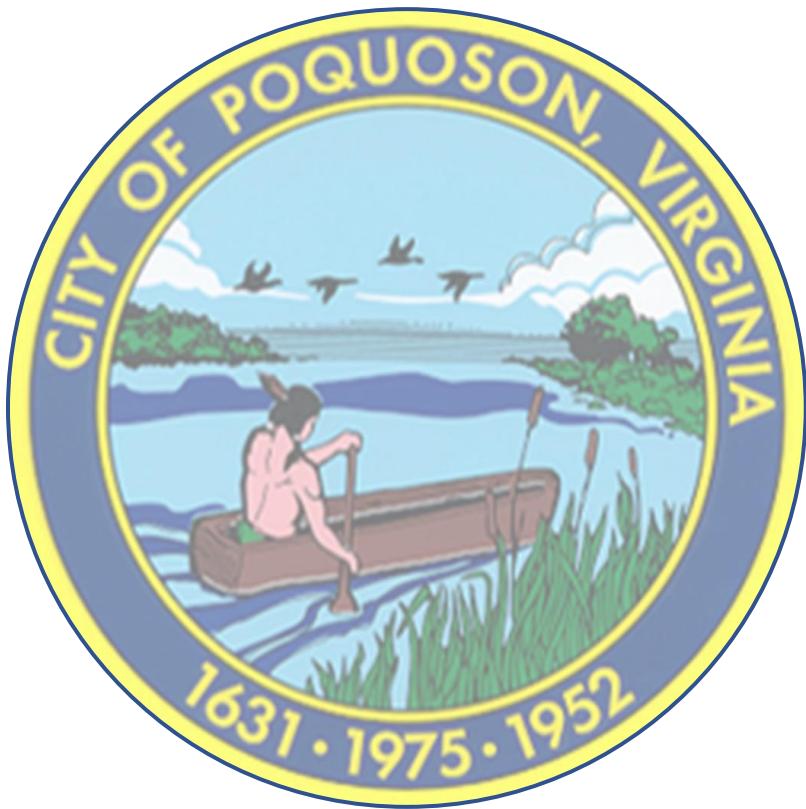
List of Principal Taxpayers

Taxpayer	Assessed Valuation of Real Estate	Percentage of Total Real Estate Assessment
CH Realty IX-Legacy MHC - Norfolk	\$16,235,000	0.79%
Poquoson Apartments Owner LLC Etals	\$14,212,200	0.69%
City of Newport News	\$9,201,600	0.45%
Poquoson Shopping Center LLC	\$7,520,800	0.36%
Poquoson Commons Retail Investors, Inc.	\$7,485,000	0.36%
GPH Poquoson LLC	\$6,012,100	0.29%
Islander Associates	\$5,252,400	0.26%
SNH CHS Properties Trust	\$5,047,300	0.25%
SGC Wythe Creek, LLC	\$4,740,700	0.23%
Universal of Poquoson	\$3,831,900	0.19%
	\$79,539,000	3.87%

Source: City of Poquoson Annual Comprehensive Financial Report, June 30, 2024, Table 7.

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APPENDIX



Glossary

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

Accounting System: The total structure of records and procedures that identify, record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

Accrued Interest: The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

Amortization: The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

American Rescue Plan Act (ARPA): Federal Government funding providing a substantial infusion of resources to eligible state, local, territorial, and tribal governments to help reverse the negative impacts of the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Appropriation: A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

Arbitrage: As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

Assessed Valuation: A value assigned to real estate or other property by a government as the basis for levying taxes.

Audit: An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

Audit Report: Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Balanced Budget: The City Manager annually proposes, and the City Council adopts, a budget or financial plan for the upcoming year in which the revenues available (including any available fund balance from prior years) match the projected expenditures.

Betterments (Special Assessments): Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

Bond and Interest Record: (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

Bonds Authorized and Unissued: Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from community's books.

Bond Issue: Generally, the sale of a certain number of bonds at one time by a governmental unit.

Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed- income investment. Rating agencies, such as Moody's and Standard and Poor's, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Budget: A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

Budgeted Fiscal Year 2025: The budget reflected includes the adopted budget.

Budgeted Fiscal Year 2025 vs. Budgeted Fiscal Year 2026 (% Change/\$ Change): The budget reflected in Fiscal Year 2025 is the adopted budget. The budget reflected in Fiscal Year 2026 is the adopted budget. The change of percentage and dollars are compared against the adopted budget of Fiscal Year 2025 versus the adopted budget for Fiscal Year 2026.

Capital Assets: All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

Cash: Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Management: The process of monitoring the ebb and flow of money in and out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short- term borrowing and investment of idle cash.

Certificate of Deposit (CD): A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

Classification of Real Property: Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real property, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by personal property owners.

Collective Bargaining: The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union, regarding wages, hours and working conditions.

Consumer Price Index: The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

Cost-Benefit Analysis: A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

Debt Burden: The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes, debt burden refers to debt service costs as a percentage of the total annual budget.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of the total cost of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery--direct, indirect, and capital costs—are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year- end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

Equalized Valuations (EQVs): The determination of the full and fair cash value of all property in the community that is subject to local taxation.

Estimated Receipts: A term that typically refers to anticipated local revenues often based on the previous year's receipts and represents funding sources necessary to support a community's annual budget. (See Local Receipts)

Exemptions: A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

Expenditure: An outlay of money made by municipalities to provide the programs and services within their approved budget.

Fiduciary Funds: Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefits) trust funds, investment trust funds, private- purpose trust funds, and agency funds.

Fixed Assets: Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

Fixed Costs: Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

Float: The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

Full Faith and Credit: A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Fund: An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Accounting: Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

GASB 34: A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria for the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, roads, sewers, etc. It also requires the presentation of a narrative statement of the government's financial performance, trends and prospects for the future.

GASB 45: This is another Governmental Accounting Standards Board major pronouncement that each public entity accounts for and reports other post-employment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

General Fund: The fund used to account for most financial resources and activities governed by the normal appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Governing Body: A board, committee, commission, or other executive or policymaking body of a municipality or school district.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

Line-Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

Local Aid: Revenue allocated by the state or counties to municipalities and school districts.

Maturity Date: The date that the principal of a bond becomes due and payable in full.

Municipal(s): (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

Note: A short-term loan, typically with a maturity date of a year or less.

Objects of Expenditures: A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

Official Statement: A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Overlapping Debt: A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

Performance Budget: A budget that stresses output both in terms of economy and efficiency.

Principal: The face amount of a bond, exclusive of accrued interest.

Program: A combination of activities to accomplish an end.

Program Budget: A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

Purchased Services: The cost of services that are provided by a vendor.

Refunding of Debt: Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

Reserve Fund: An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

Revenue Anticipation Note (RAN): A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

Revenue Bond: A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

Revolving Fund: Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

Sale of Real Estate Fund: A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

Stabilization Fund: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

Surplus Revenue: The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

Tax Title Foreclosure: The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

Trust Fund: In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

Uncollected Funds: Recently deposited checks included in an account's balance but drawn from other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

Undesignated Fund Balance: Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

Unreserved Fund Balance (Surplus Revenue Account): The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

Valuation (100 Percent): The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.

Acronyms

ADM	Average Daily Membership
ACFR	Annual Comprehensive Financial Report
ALS	Advance Life Support
ARB	Architectural Review Board
ARPA	American Rescue Plan Act
AV	Assessed Valuation
BLS	Basic Life Support
BZA	Board of Zoning Appeals
CAD	Computer Aided Dispatch
CAMA	Computer Assisted Mass Appraisal
CASA	Court Appointed Special Advocates
CCIP	Constrained Capital Improvements Plan
CRS	Community Rating System
CSA	Children's Services Act
DEQ	Department of Environmental Quality
DMV	Department of Motor Vehicles
EDA	Economic Development Authority
EMS	Emergency Medical Service
EPA	Environmental Protection Agency
FEMA	Federal Emergency Management Agency
FMA	Flood Mitigation Assistance
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GO	General Obligation
HCF	100 Cubic Feet

HMGP	Hazard Mitigation Grant Program
HRPDC	Hampton Roads Planning District Commission
HVAC	Heating, Ventilation and Air Conditioning
LCI	Local Composite Index
LOC	Line of Credit
MFS	Medicare Fee Schedule
MS4	Municipal
NADA	National Automobile Dealer's Association
NFIP	National Flood Insurance Program
OPEB	Other Post-Employment Benefits
P2P	Peer to Peer
PP	Personal Property
PPTRA	Personal Property Tax Relief Act
RE	Real Estate
RPA	Resource Protection Area
SC	Service Charge
SCADA	System Control and Data Acquisition
S&P	Standard and Poor's
TMDL	Total Maximum Daily Load
VDEM	Virginia Department of Emergency Management
VDOE	Virginia Department of Education
VDOT	Virginia Department of Transportation
VPPSA	Virginia Peninsulas Public Service Authority
VRS	Virginia Retirement System

