Town of Tangier, Virginia

Footnotes to FY27 Budget

IMPORTANT NOTICE. The budget is based on cash accounting and, therefore includes payments for expenses that occurred in years prior to FY27. This is particularly relevant to the fuel dock budget that includes $60,000 in total payments to pay for fuel purchased before January 1, 2025, and $12,000 to reimburse an unsecured loan issued by the Swain Memorial Methodist Church in Spring 2025 ($50,000 used to reimburse DEQ grant money that was misappropriated prior to January 1, 2025). Even more importantly, ***the budget does NOT include*** a significant amount of unpaid Federal and State taxes from prior years. As of May 31, 2026, we know that no Federal and State taxes have been paid in 2024 and 2025 and the first quarter of 2026. It also appears that some State taxes had not been paid in years prior to 2024. The unfortunate sickness of the former accountant resulted in significant information losses. The new Town accountant is currently seeking this information from the I.R.S. and the VA Department of Taxation. **In total, there is likely a combined unpaid balance of $150,000 to $200,000 in back taxes that is not accounted for in the FY27 budget.**

GENERAL FUND – REVENUES

- Real Estate Taxes: revenues are based on FY ’26 assessments. A small remaining recovery from unpaid taxes from prior years has been estimated at $1,000
- Other revenues: All other revenues have been estimated from FY ’26.

GENERAL FUNDS – EXPENSES

- Payroll assumes a 3% pay raise effective January 1, 2027.
- Accounting expenses are based on Paula Green providing bookkeeping services for the Town. *This estimate is subject to revision* as the scope of accounting services becomes clearer.
- Grass cutting includes services to mow some of the town’s property plus unrecovered yard maintenance fees for properties in non-compliance with January 2026 town ordinance.
- Office expenses include $2,500 to acquire and install a server where Quick Book and accounting files will reside. This will allow bookkeeping to be done by both the accountant and Town’s employees.
- Transportation for Town’s functions is for charter or regular fares for a town councilperson, town employee, or pre-approved visitor/contractor.
- VML membership is to cover the Town’s membership cost to the Virginia Municipal League.

- Insurance premium is based on the 2025-2026 premium for general liability, public official liability, general liability no fault property, property coverages, boiler and machinery coverage, and worker's compensation. Because of the reduced payroll in FY '27 vs. FY '26, the actual premium should be reduced in FY '27. Thus, *this estimate is subject to revision*.

FUEL DOCK – REVENUES

- Revenues are based on the sales of 20 barges of fuel, each containing 7,800 gallons. The apportioning of the different fuel types is: 50% diesel, 30% unleaded ethanol-free gasoline, and 20% kerosene. The gross margins (sale prices minus fuel costs minus delivery charges, minus excise taxes on gasoline) are the same for all 3 fuel types ($1.00/gallon). Purchasing prices have been set at: $4.00/gal for diesel, $4.10/gallon for gasoline, and $5.68/gallon for kerosene.
- Sales of food and supplies are assumed to not generate any gross margins.

FUEL DOCK – EXPENSES

- Fuel transportation is based on 20 barges delivered at $2,200 per barge.
- Payroll assumes a 3% pay raise effective January 1, 2027.
- Retail delivery and barge unloading is for a contractor paid $260/week, plus $20/barge unloaded, plus $10 for deliveries on off days (assumed 1x/week).
- Electricity is based on $150/month, except for June to September where electricity cost is based on $300/month.
- Office expenses include postage of monthly invoices. Phone charges are null because service is provided by a free VoIP.
- Debt repayments are based on $5,000/month to Pep-Up for debt payments related to unpaid fuel purchased prior to 2025 (remaining balance of $99,000 as of May 28, 2026), and $1,000/month for an unsecured, interest-free $50,000 loan by the Swain Memorial Methodist Church (issued in March 2025) with a $20,000 remaining balance as of May 28, 2026.

TRASH – REVENUES

- Trash revenues are based on 170 regular households at $10/month, 30 subsidized households at $8/month, 2 churches and 1 Sunday school at $9/month), and 3 gift shops at $10/month.

TRASH – EXPENSES

- Contractor expenses are based on a contract issued in Fall 2026 to cover the cost of domestic trash collection 2 time per week at a cost of $325/week). The Town does not provide trash collection to businesses as per a motion passed in January 2026.
- A small monthly electric bill is associated with a meter on the trash dock.

WATER and SEWER – REVENUES

- Revenues are based on 170 regular households at $70/month, 30 subsidized households at $57/month, 1 school and 1 Bed and Breakfast (Brigadune) at $215/month, 2 churches and 1 Sunday school at $61/month, and 6 crab houses at $20/month.

WATER and SEWER – EXPENSES

- Payroll assumes a 3% pay raise effective January 1, 2027. It also provides a $1,000/year bonus to cover week-end needs.
- The water-sewage contractor fees are for 2 times per month work visits by the contractor.
- Electricity costs are based on 2026 payments that equated to approximately $12,000 for the water pump usages and $12,000 for the usage at the treatment plant.
- Water samples and laboratory fees are based on the monthly averages over the first 10 months of FY '26. Delivery fees are based on $75/week by a contractor.
- Transportation is for a special morning charter ($250/trip) and afternoon fare ($30/trip) for the twice-monthly visit by the water-sewage contractor.
- Office expenses cover the monthly mailing costs for 200 households at $1/household per month.
- Bank fees cover normal monthly bank charges plus the costs charged by credit card companies.
- An allowance of $9,000 has been made to cover parts (e.g., pumps) and contractor charges associated with the maintenance of the water and sewage systems. *No allowance for significant upgrades and major maintenance has been made.*
- Loan repayments are for (1) USDA loan #1, $271,800 issued on 02/04/1987, interest rate of 5% per annum, with a remaining balance of $28,329.14 as of 01/01/2025, and fully maturing at the end of March 2027, with monthly premium of$1,324.00; (2) USDA loan # 2, $671,580 issued on 07/19/2011, interest rate of 2.375% per annum, with a remaining balance of $508,846.57, maturing in 2051, with monthly premium of $2,170.00; (3) Virginia Resources Authority loan of $517,782 issued June 1, 2010, with a remaining balance of $255,553.61 as of 10/01/2025. Refinanced at $50/semester until April 1, 2029 when payments will resume at $10,635.57 per semester ($21,272.14/year) and the loan maturing on 10/01/2040, and (4) monthly payments of $500/month to Bridell & Son for a debt related to work done by this contractor in a prior year.

GRANTS: FUEL DOCK UPGRADE (DEQ) – REVENUES

- Remaining balance of $274,000.

GRANTS : FUEL DOCK UPGRADE (DEQ) – EXPENSES

- Remaining payments of $274,000 to contractors, consultants and for supplies.

Tangier, Virginia
May 31, 2026