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**Minutes
Windsor Town Council Work Session
Town Hall
April 23, 2024**

The Windsor Town Council met in a work session on April 23, 2024, at 6:00pm in the Council Chamber of the Windsor Town Hall, Windsor, Virginia. Mayor Stubbs was present, and he called the meeting to order. Mayor Stubbs asked anyone with a cell phone to please silence it at this time. Kelly Kuhns, Town Clerk, recorded the minutes. William G. Saunders IV, Town Manager, and Cheryl McClanahan, Treasurer, were also present.

Council members present: J. Randy Carr – Vice Mayor
David T. Adams
Jake Redd
Marlin W. Sharp

Council members absent: Walter Bernacki
Edward (Gibbie) Dowdy

Councilman Sharp delivered the invocation, and Councilman Adams led the pledge of allegiance.

FY25 Draft Budget and Draft Capital Improvement Plan Review

Mr. Saunders presented information about the status of the town budget and shared Capital Improvement Plan (CIP) drafts for Town Council consideration. He noted that the budget drafts provided are balanced in the General Fund, the Water Fund, the Town Center Fund, and the Future Space Needs Fund.

Mr. Saunders said that with the end of April approaching, the drafts of the FY25 Budget and Capital Improvement Plan (CIP) are nearing completion. He noted that much of the relevant revenue and expense information for FY25 has been received; however, some has not. Mr. Saunders stated that at the beginning of May, we will have another month of revenue data to aid in our forecasts.

Mr. Saunders reviewed the General Fund, Water Fund, CIP, Space Needs Fund and Town Center Fund as follows:

General Fund Budget

Revenue – While meals taxes are expected to increase, some other revenue sources will remain flat or decrease at the current tax rates. Isle of Wight County does not yet have personal property figures. This FY25 draft includes a \$0.02 increase in the Real Estate tax rate, which is an increase in revenue of \$57,026.14 [\$0.02 on a \$250,000 home equals \$50].

Mr. Saunders explained that the tax increase will help to alleviate the use of American Rescue Plan Act (ARPA) funds for operational expenses.

Operations – Overall, operations expenses are expected to increase due to inflation. In the current draft, all operations expenses are supported by projected current year revenue, none by American Rescue Plan Act (ARPA) funds or fund balance.

Personnel – The current draft includes a 3.5% COLA for town staff, except for field officers in the Police Department. Most other localities in the region are moving forward with 3-4% COLA; however, a few are planning for a 4-5% COLA. Field officers in the Police Department were adjusted by means of the holiday pay plan requested by Police Chief Riddle in his attached memo; this adjustment is equivalent of 5.38%. This budget also includes a new part-time, certified patrol officer position as requested by Chief Riddle in his attached memo.

Mr. Saunders presented Chief Riddle's memo to the Council for consideration. He stated that currently, WPD officers can use floating holidays within one year of the date of occurrence. Mr. Saunders said that most WPD officers carry annual, or vacation leave more than the administrative cap throughout the fiscal year. He noted that this increases the town's liability in the event of retirements and or resignations.

Mr. Saunders added that it would be proposed to pay 8 hours straight time holiday pay to each of the 5 patrol officers per holiday regardless of if they are working or off. He stated that this will help eliminate the large number of vacation hours carried by WPD employees. Mr. Saunders noted that this solution would not be considered a salary increase as employee retirement benefits would not increase. He explained that this solution would cost approximately \$13,000 - \$15,000 annually and is reflected in the proposed budget.

Mr. Saunders added that WPD is requesting funding for the addition of a part time police officer. He said that this position will cover and enhance the evening shift working primarily from 1600-2400 three days a week. Mr. Saunders stated that the officer will be scheduled for 24 hours of shift coverage a week with 6 hours of additional time built into the budget for court and other related duties. He noted that the pay rate would be between \$25.00 and \$27.00 per hour based on qualifications. Mr. Saunders said that the annual cost at 30 hours per week at the max rate would be \$42,120 not including FICA and other tax related costs.

In response to Councilman Adams questions, Mr. Saunders stated that the cost of an additional full time police officer would be approximately \$75,000 - \$80,000 per year dependent upon experience.

Health Insurance – Local Choice (Cardinal) health care premium rates will increase 10% for FY25 with an increase of 6.3% overall. The same ratio of employee/employer costs from previous years has been maintained.

Emergency Communications Center (ECC) – The cost of the ECC has increased by 5.9% (Payments to Other Governments line item). The primary drivers of this increase are inflation, salary/benefits increase for dispatchers, and the new CAD/RMS system. Due to the true-ups being favorable to the town in FY23 and FY24, the budget amount was not adjusted.

Virginia Risk Sharing Association Insurance – We have not yet received the insurance premium amount for FY25; the amount currently programmed for FY25 is an estimate.

Water Fund

Rates – Prior to FY21 Council instituted a plan to increase water rates by \$0.25 per 1,000 gallons every other year (Odd fiscal years), until such time as the revenue/cost balance was appropriate. A \$0.25 increase is shown in the FY25 budget.

Personnel – The FY25 budget reflects the conversion of a part-time maintenance technician position to a full-time position.

Depreciation – The current draft shows depreciation as 89.5% funded at \$73,585.08.

Capital Improvement Plan

The CIP dated 03/19/2024 was recommended for approval by the Planning Commission, it is enclosed here. Also find enclosed, versions dated 04/18/2024 that have minor revisions. Primarily, the changes are to adjust prices or to roll projects forward to FY25 and FY26 that were not completed or undertaken in FY24.

General Fund – At this time, none of the projects are to be funded by ARPA funds but funded with fund balance (primarily from converted ARPA funds), and the rest from new revenue.

Water Fund – As shown, \$75,000 of water projects are funded with ARPA funds, the rest with fund balance (primarily converted from ARPA funds).

Space Needs Fund

Revenues – A transfer of \$100,000 is shown from the General Fund, as in prior years, excepting FY24, when it was \$150,000 (\$52,022 of ARPA funds will be included in the FY24 transfer to cover the architectural design work contracted for the New Municipal Building).

Expenditures – Professional Services of \$40,000 is shown for that portion of the New Municipal Building design work expected to be invoiced in FY25.

Town Center

Revenues – Expected rental fees are increased, General Fund infusion is increased, and fund balance is flat. The general fund contribution for FY25 is from fund balance in FY23.

Expenses – More usage has increased operations costs. An increase in utilities, supplies, and staffing is included for FY25.

Mr. Saunders explained that the Town Center had an increase in utility bills 3 months prior to the gym windows replacement. He stated that the old windows combined with a replacement in January could be contributing factors to the higher utility usage. Mr. Saunders noted that the influx in facility usage may also be a contributor as there are more daily activities taking place to include those hosted by Senior Services as well as Isle of Wight County Parks and Recreation.

Mr. Saunders continued to review the budget line items in the draft budget.

Mr. Saunders said that taxes on personal property are expected to increase based on the projection provided by the Isle of Wight County Commissioner of the Revenue, however those figures have not yet been provided.

Mr. Saunders proposed starting a new fund for events whereas a stipend would be appropriated to the Event Committee at the start of the fiscal year. He added that any leftover funds and/or funding donations would remain in the Event Committee fund and carry over each year.

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Councilman Adams stated that he thought this proposal was a great idea. He noted that it would be a great way to ensure that event funds remain dedicated to town events where citizens will continue to benefit from them.

Councilman Adams suggested that a policy be created to help govern the way in which event funds are spent. He added that this will also help to provide transparency between the town and its citizens.

Mr. Saunders stated that there was a 6% increase in refuse collection rates.

Mayor Stubbs asked if the town has posted the surplus police vehicles and backhoe for auction.

Mr. Saunders said that the town has an appointment with the auction site tomorrow, April 24, 2024, to have those vehicles posted. He added that the town will have the backhoe posted for auction once documents and photos are received from public works.

Councilman Carr asked where the money received from the auction goes once the surplus items are sold.

Mr. Saunders stated that the money would go back into the town's budget as miscellaneous revenue.

In response to Councilman Adams question, Mr. Saunders noted that there is one request pending for streetlight installation at the footbridge on Court St across from Joynertown Ln.

Mr. Saunders said that the water fund has been adjusted upward to account for the \$0.25 water rate increase.

Mayor Stubbs thanked Mr. Saunders and staff for their time and effort in preparing and presenting the draft budget.

Councilman Adams made a motion to adjourn. Councilman Sharp seconded, and Council unanimously passed the motion as recorded on the attached chart as motion #1.

The meeting adjourned at 7:59pm.

George Stubbs, Mayor

Kelly Kuhns, Town Clerk