

**Minutes
Windsor Town Council Special Meeting
Windsor Town Hall
May 26, 2022**

The Windsor Town Council met in a Special Meeting on May 26, 2022 at 7:00 p.m. in the Council Chamber of the Windsor Town Hall, Windsor, Virginia. Mayor Glyn Willis was present, and he called the meeting to order. He welcomed those who were present. Mayor Willis asked for anyone with cell phones to please turn them off. Terry Whitehead, Town Clerk, recorded the minutes. William G. Saunders, IV, Town Manager, Chief Riddle, and Cheryl McClanahan, Treasurer, were present.

Council members present: Greg Willis
 Walter Bernacki
 Kelly Blankenship
 J. Randy Carr
 George Stubbs

Council member absent: Jake Redd

Councilman Carr led the Pledge of Allegiance.

Public Hearings

Mayor Willis said there are four public hearings before us tonight to receive public comment regarding the FY2022-23 budget. He asked Mr. Saunders to give an overview of the public hearings.

Mr. Saunders reviewed the following four public hearings:

Public Hearing – FY2022-23 Budget

A hearing to receive public comment on the proposed FY2022-23 Budget of the Town of Windsor.

Public Hearing – FY2022-23 Budget and CIP Adoption Ordinance

A hearing to receive public comment on the adoption of the proposed FY2022-23 Budget and FY2023-27 Capital Improvement Plans of the Town of Windsor.

Public Hearing – FY2022-23 Tax Ordinance

A hearing to receive public comment on the proposed FY2022-23 ordinance for tax rates.

Public Hearing – FY2022-23 Water Rate Ordinance

A hearing to receive public comment on the proposed FY2022-23 ordinance for water rates.

Mr. Saunders reported that all four public hearings have been appropriately advertised, and these documents can be seen at Town Hall or found on the Town’s website.

Mayor Willis opened all four public hearings and asked for any persons wishing to speak either for or against the proposed FY2022-23 Budget, FY2022-23 Budget and CIP

Adoption Ordinance, FY2022-23 Tax Ordinance, and the FY2022-23 Water Rate Ordinance to come forward at this time.

Dale Scott, 9 Virginia Avenue, said he has not had a lot of time to research the budget, but he would like to speak on the proposed tax increase. He stated that a \$0.04 increase is 40% of the current tax rate, and during these times with the current inflationary economic environment and with the increase in the gas prices, he's not sure that now is the best time for Council to consider a tax increase of that size.

Mr. Scott expressed his concern with what those additional funds are going to be used for. He asked if they would be used for additional costs, programs, or projects for the Town. Mr. Scott said he is not speaking in favor or against the proposed budget; he is just concerned with what the additional revenue will be used for.

Council agreed by consensus to continue the public hearings on the proposed FY2022-23 Budget, FY2022-23 Budget and CIP Adoption Ordinance, FY2022-23 Tax Ordinance, and the FY2022-23 Water Rate Ordinance until the June 14, 2022 Council meeting.

FY2022-23 Budget Review

Mr. Saunders said there is a handout before Council with information regarding the enhanced retirement benefits for law enforcement and the differences between the 1.70% multiplier and the 1.85% multiplier. He said the handout also shows what localities in the State have the 1.85% multiplier.

Chief Riddle reviewed the handout stating that this is the most current information he could find regarding the enhanced retirement benefits for law enforcement, and it came from the Virginia Association of Chiefs of Police and Foundation (VACP). He said this information shows a list of localities that have moved from the 1.70% multiplier to the 1.85% multiplier. Chief Riddle noted that State Code requires that all Sheriff offices be under the 1.85% multiplier.

Chief Riddle explained that in this police reform environment, we need to be as competitive as we possibly can to improve recruitment and retention.

Mr. Saunders added that the 1.70% multiplier is what is showing in the current advertised budget.

Mr. Saunders said we may want to consider a minor adjustment to the VRSA Insurance line item for the year. He said we received our estimate since the last meeting, and it went up \$1,600. He explained that an adjustment on the deductible from \$250 to \$500 would save the Town \$1,100 of the \$1,600, with a total increase to that line item of only \$500.

Mr. Saunders reported that Chief Riddle has requested more money for Police Overtime to finish out this fiscal year. He said we will be bringing a budget transfer before Council at the June meeting to cover the balance of this fiscal year.

Mr. Saunders said if we look at the numbers that it would be at the end of this fiscal year, after the budget transfer, we may need to increase the current budget amount of \$22,000. He explained that we don't know how long we may carry an opening for a new

police officer into the new year; therefore, the \$22,000 will need to be increased to \$29,500. He said that is \$7,500 that we may want to add to the Police Overtime line item.

After discussion regarding the police overtime, Mr. Saunders recommended adding the \$500 in the Insurance line item and the \$7,500 in the Police Overtime line item to the FY2022-23 draft budget. He said he would offset those increases on the revenue side by increasing the Bank Franchise Tax by the corresponding amount of \$8,000. He explained that we don't receive the Bank Franchise money until May every year, and it was more than we expected.

Mr. Saunders said if Council would like to make a change on the multiplier from 1.70% to the 1.85% multiplier for the enhanced benefits for law enforcement for the next year and a half; those funds can come from the American Rescue Plan Act (ARPA) if Council would like.

Councilman Carr said after reviewing the VACP report, he feels that we have no choice but to go with the 1.85% multiplier in order to remain competitive and improve recruitment and retention. He said we have to look after the Town, the citizens and the Police Department.

Councilman Stubbs was in agreement. He said, according to the VACP report, we are now having to play "catch-up" with the enhanced benefits for law enforcement. He said unfortunately we are in a position where we are also having to play "catch-up" with the taxes.

Vice Mayor Greg Willis said it's a tough time to increase taxes, but he has reviewed the budget several times, and he can't find anything that can be taken out.

Councilwoman Blankenship said we have a unique opportunity to use some of the ARPA money to offset the costs and not increase taxes. She said the Town needs to focus on bringing in new revenue, such as new businesses. She said increasing taxes should not be the solution. Councilwoman Blankenship said using ARPA money would buy the Town some time to seek new revenue sources.

Councilman Bernacki said we have not had a tax increase in 17 years. He said expenses have been steadily increasing with the tax rates remaining flat. He explained that if we don't increase taxes now, and if we choose to use ARPA money for operating costs, we will have to increase taxes even more in 18 months to close the gap after the ARPA money is gone.

Councilman Stubbs said it would take a business several years to become established before the Town would see any revenue. He said if we don't increase taxes now, the gap will continue to grow.

Councilwoman Blankenship added that the Town's Strategic Plan has revenue generating concepts, other than new businesses, that should be pursued before increasing taxes.

Mayor Willis noted that Mr. Williams reported at the last meeting that we are looking for \$80,000 to \$100,000 in additional revenue. He said those additional revenues were

covering a 19% increase in the retirement benefits, not including the enhanced retirement benefits for law enforcement, 11% increase in healthcare costs, the conversion of the part-time position in public works to full-time, and the enhanced retirement benefits for law enforcement.

Mayor Willis said we previously discussed using ARPA money for one-time expenses, such as the Duke Street/Virginia Avenue Water Line Replacement project, as compared to using this money for operational expenses, such as healthcare and retirement costs. He said the strategy has been to be careful using the ARPA money for ongoing expenses compared to one-time expenses to avoid a larger gap in the budget when the ARPA money is gone in 18 months.

After further discussion, Council agreed by consensus to move forward with the 1.85% multiplier for the enhanced benefits for law enforcement. They also agreed by consensus to increase the Insurance line item \$500 with the revised deductible from \$250 to \$500, and to increase the Police Overtime line item from \$22,000 to \$29,500, which will both be offset by the Bank Franchise Tax.

Mr. Saunders briefed Council on the status of the Deed of Easement acquisitions for the Duke Street/Virginia Avenue Water Line Replacement project, noting that there will be approximately five signatures needed after next week.

Councilman Stubbs made a motion to continue the public hearing until the June 14, 2022 meeting and to adjourn this meeting. Vice Mayor Greg Willis seconded, and Council unanimously passed the motion as recorded on the attached chart as motion #1.

The meeting adjourned at 7:43 p.m.

Glyn Willis, Mayor

Terry Whitehead, Town Clerk

TOWN OF WINDSOR
 RECORD OF
 COUNCIL VOTES

Council Meeting Date May 21, 2022

Motion #	Carr	Stubbs	Redd	Greg Willis	Bernacki	Blankenship	Glyn Willis
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Jerry Whitehead, Town Clerk