

**Minutes  
Windsor Town Council Work Session  
Town Hall  
January 24, 2023**

The Windsor Town Council met in a work session on January 24, 2023 at 6:00 p.m. Mayor Stubbs was present, and he called the meeting to order. Terry Whitehead, Town Clerk, recorded the minutes. William Saunders, IV, Town Manager and Cheryl McClanahan, Treasurer, were present.

Council members present: J. Randy Carr - Vice Mayor  
David T. Adams  
Walter Bernacki  
Edward (Gibbie) Dowdy  
Jake Redd  
Marlin W. Sharp

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

**FY23 Six-Month Budget Review**

Mr. Saunders said with the end of December, we have completed six months of the 2022-23 (FY23) fiscal year. He stated that the General Fund and Water Fund slideshow, Year to Date Report, Recent Years Report, and the Six Month Fund Balances are enclosed in Council's packet for review.

Mr. Saunders briefed Council on the challenges in FY23, which included the continuing COVID-19 pandemic as it relates to the ARPA funding and administration, staffing challenges, inflationary pressure, and decreasing revenue trends relating to communications tax, fines, and utility taxes.

Mr. Saunders reported that we are currently trying to fill one position in the maintenance department for a Water Works Operator, as questioned by Mayor Stubbs. He noted that with losing part time help before mowing season was over, and with having a full-time employee out for an extended period of time due to a medical procedure, the maintenance department has been understaffed for several months.

Councilman Redd asked if a police department roster could be distributed in order to keep Council informed of new hires.

Mr. Saunders said the open position in the police department was filled. He said he will ask the officer to come to the February 7, 2023 meeting to introduce himself to Council.

Councilman Adams asked with staffing challenges and the increased administrative duties due to the ARPA funds, is there a separate line item to track overtime.

Mr. Saunders stated that overtime for regular Town staff is not authorized. He explained that the police department does regularly require overtime, and there is a separate line item for overtime in the police department budget.

Mr. Saunders reported that personal property tax bills were due on December 5, 2022, and approximately 77% have been collected. He said real estate taxes are due June 5, 2023. He explained that bills paid late in July and August 2023 will roll back to FY23. He also reported that meals taxes for the 4<sup>th</sup> quarter were due on January 20, 2023. He explained that the 2<sup>nd</sup> quarter meals taxes are due July 20, 2023, and these will also roll back to FY23.

Mr. Saunders continued to review the General Fund revenue and expenditure line items. He reported that total revenues are expected to meet or exceed budget. He explained that expenditures are down due to the American Rescue Plan Act (ARPA) funds being included. He stated that expenses and revenues for the General Fund will be monitored throughout the Fiscal Year.

Councilman Bernacki commented that with LED lighting and solar power, we may need to take into consideration, moving forward, that utility taxes may decrease with the downward trend with energy usage.

Mr. Saunders stated that Isle of Wight County anticipates that the next budget year will be based on new reassessment numbers, as questioned by Councilman Bernacki.

Mr. Saunders explained that by State Code, if there is a 1% increase in real estate taxes due to the reassessment, the Town will need to hold a public hearing and outline to the citizenry what amount of revenue will be received based on whether we leave the tax rate at \$0.14, lower it to be net neutral, or adopt a different rate.

Councilman Bernacki asked if taxing vaping products has been proposed in the new legislation this year.

Mr. Saunders said there were discussions in the last session of taxing anything with nicotine. He added that he has not heard of any bills being introduced this year, but it is still early in the process.

Mr. Saunders reported that the Water Fund total revenues are expected to meet or exceed the amount budgeted. He stated that water sales are ahead of last year's collections at this point due to the rate increase and a larger customer base. He explained that the "Other Revenue" line item is higher than FY22 due to new construction. Mr. Saunders stated that expenses are expected to come in at or below budget.

Mr. Saunders added that by the end of the fiscal year, we will have collected enough revenue to cover operating, maintenance and debt service, but may show a loss due to depreciation. He said for the FY23, depreciation is \$81,231.94 (93%). He said we need to continue our efforts to fund depreciation so that we can reinvest in our water system infrastructure as it continues to age and hold a strong fiscal position.

Mr. Saunders reviewed the Water Fund revenue and expenditures. He noted that water sales are just over 50% in revenue.

Mr. Saunders reported that six month revenues exceed estimates, and expenses are below estimates in both funds. He stated that the Town's overall financial condition remains sound.

Mr. Saunders said he will continue to watch revenues and expenditures for the remainder of the fiscal year.

Mr. Saunders distributed the revised draft 2023 Budget Calendar for Council's review.

Councilman Dowdy asked if the Town has seen a decrease in meals tax due to the Windsor Food and Gas discontinuing the sale of food. Ms. McClanahan said she has not seen a significant change in meals tax.

Mayor Stubbs questioned if there were other leak issues on Church Street after the repairs were made. He said there is a section of concrete that has been removed with cones placed in that area.

Mr. Saunders said the leak has been repaired, and there are no additional issues. He explained that Belchers Paving has not replaced that section of concrete, but it is scheduled for them to do so.

Mr. Saunders briefed Council on the bids for the Duke Street & Virginia Avenue Water Main Replacement project as requested by Vice Mayor Carr. He reported that the bids are due January 31, 2023. He noted that two attended the pre-bid meeting, which was not required. He explained that the bid packet may not be available for the February 7, 2023 Council meeting; depending on review by Bowman Engineering.

Councilman Bernacki made a motion to go into closed session pursuant to Virginia Code 2.3711.A.3. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body. Councilman Adams seconded, and Council unanimously passed the motion as recorded on the attached chart as motion #1.

Councilman Dowdy made a motion pursuant to Virginia Code Section 2.2-3712, Subsection D, that Council discussed only public business matters lawfully exempted from open meeting requirements, and that Council heard, discussed, or considered only such business matters as were identified in the motion that Council passed to go into closed session. Councilman Sharp seconded, and Council unanimously passed the motion as recorded on the attached chart as motion #2.

Councilman Bernacki made a motion to adjourn. Councilman Dowdy seconded, and Council unanimously passed the motion as recorded on the attached chart as motion #3.

The meeting adjourned at 7:14 p.m.

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George Stubbs, Mayor

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Terry Whitehead, Town Clerk

TOWN OF WINDSOR  
 RECORD OF  
 COUNCIL VOTES

Council Meeting Date January 24, 2023 Council WS

Motion #	Redd	Bernackl	Carr	Adams	Dowdy	Sharp	Stubbs
1	Y	Y	Y	Y	Y	Y	
2	Y	Y	Y	Y	Y	Y	
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Jerry Whitehead, Clerk