

**Minutes  
Windsor Town Council Work Session  
Town Hall  
February 1, 2022**

The Windsor Town Council met in a work session on February 1, 2022 at 6:00 p.m. Mayor Willis 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: Greg Willis  
Walter Bernacki  
Kelly Blankenship  
Jake Redd – arrived at 6:05  
George Stubbs

Council member absent: J. Randy Carr

Vice Mayor Greg Willis led the pledge of allegiance.

**Six-Month Budget Review**

Mr. Saunders presented the six-month budget review for revenues and expenditures. He briefed Council on the challenges in FY22, which included the continuing COVID-19 pandemic, staffing challenges, inflationary pressure, personal property delinquent tax billing, and decreasing revenue trends relating to utility taxes, fines, and sales tax. He noted that sales tax did come in just prior to this presentation.

Vice Mayor Greg Willis asked if children withdrawing from public schools would impact sales tax. He also asked if the Town receives sales tax on gasoline and liquor by the drink.

Mr. Saunders said he would research these questions and report back to Council.

Mr. Saunders reported that personal property tax bills were due on December 6, 2021, and approximately 91% have been collected. He also reported that Meals Taxes for the 4<sup>th</sup> quarter were due on January 20, 2022. He explained that the 2<sup>nd</sup> quarter meals taxes are due July 20, 2022, and these will roll back to FY22. Mr. Saunders said real estate taxes are due on June 6, 2022, and bills paid late in July and August 2022 will roll back to FY22.

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 30% 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 asked if the Town receives revenue from vaping products, similar to cigarette stamps.

Mr. Saunders said he would research whether the Town receives revenue from vaping products and report back to Council.

Council continued to discuss a possible referendum regarding the retail sale of marijuana and an increase in legal fees due to additional hours worked by the Town Attorney.

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 primarily to the rate increase. He explained that the "Other Revenue" line item is lower than FY21 due to fewer tap fees with less 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 FY22, depreciation is \$59,469. 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 reported that depreciation is funded at approximately 80%, as questioned by Councilman Bernacki.

Mr. Saunders reviewed the Water Fund revenue and expenditures. He noted that water sales are just under 50% in revenue due to the lag time in reporting because of the bi-monthly billing.

Mr. Saunders explained that Capital Project numbers were included in last year's revenue. He said he feels that we should be showing operating numbers and not Capital Project numbers. He said he removed the Capital Project number out, which was money for the Duke Street and Virginia Avenue projects. Mr. Saunders added that he did not show the Fund Balance as revenue; therefore, the revenue shown is actual sales.

Mr. Saunders reported that 6 month revenues exceed estimates, and expenses are below estimates in both funds. He said he will continue to watch revenues and expenditures for the remainder of the fiscal year. He stated that the Town's overall financial condition remains sound.

Mr. Saunders reported that the Draft 2022 Budget Calendar is enclosed for Council's review.

Councilman Redd asked what percentage Meals Tax is compared to the total revenue in the budget.

Mr. Saunders stated that Meals Tax is our largest revenue source, and the estimated revenue for Meals Tax is \$420,000 out of an over \$2,000,000 budget.

Council continued to discuss how ARPA funds are showing in the budget, potential increase in tap fees, and submittal of rezoning application and water capacity for the proposed new subdivision next to Holland Meadows.

## **American Rescue Plan Act (ARPA) Funding Distribution Plan Discussion**

Mr. Saunders noted that the enclosed Staff report is the same as what was presented at the December 2, 2021 work session. He said information and a list of potential projects is included in this report.

Mr. Saunders reviewed answers to the questions presented at the December 2, 2021 work session regarding what areas of Town do not currently have Town water service and County sewer service. He also noted that per the recorded deed of gift, as well as the grantor of the property, there is no requirement that the Town use the Bank Street property as a park.

Council discussed the sewer improvements for failing septic systems in Phase 1 of Windsor Woods.

Mr. Saunders explained that at the December 2, 2021 meeting, we were following the Treasury Department's Interim Final Rules. He said we are now following the Treasury Department's Final Final Rules, which have been opened up a lot. He said there is still a list of projects that only revenue replacement can take care of.

Mr. Saunders reviewed the following eligible uses for ARPA funds:

- Virginia Avenue / Duke Street Water Project
- Other Water Projects
- Stormwater Projects
- Sewer Improvements in Windsor Woods
- Broadband Expansion (Rural areas of Town)
- PPE, Covid-19 Related Improvements
- E-Ticket
- Public Safety Premium Pay Bonuses
- Public Safety Premium Pay Retirement
- Essential Worker Premium Pay Bonuses
- Bank Street Park Improvements
- Demolition of Blighted Buildings

Mayor Willis asked Chief Riddle to brief Council on the e-ticket system.

Chief Riddle said the cost for his department to get the e-ticket system up and running would be \$35,000, which would be lower if the County is involved. He explained to Council how the e-ticket system would allow his officers to track at a much greater depth all the things that we want to have information on or would be helpful to us when we need it. He said the system would also shorten encounters between police and citizens during a stop. Chief Riddle said this is the most efficient and best way to provide information required by the commonwealth.

Councilman Bernacki asked if maintenance cost for the e-ticket system would be in addition to the \$35,000.

Chief Riddle said in order to fund the ongoing maintenance of the system, an ordinance provision is required to authorize the collection of a \$5.00 fee per citation or set of

citations for a given event. He said that \$5.00 fee would go back to the Town and be allocated only for the system.

Councilman Stubbs asked if there is a place available at the police department for the e-ticket server.

Chief Riddle confirmed that there is designated space for the e-ticket server.

Mayor Willis said this is something he thinks the Town has the opportunity to proceed with because a lot of the evaluation and study of it has already been done.

Mayor Willis suggested getting the ordinance in place and having an IT due diligence assessment to be discussed at the February 8, 2022 meeting.

Chief Riddle said he will reach out to Mr. Taylor, Town Attorney, regarding the ordinance.

Mayor Willis said he will speak with Mr. Saunders next week to see if additional analysis from an IT standpoint is needed from Isle of Wight County.

Council discussed the process of demolishing dilapidated structures, and who is responsible for the cost.

Council continued to discuss the next action point regarding the ARPA funds.

Mr. Saunders said he would like to get a consensus from Council on items they may want to remove from the list and reallocate, and which items they would like to move forward on.

Mayor Willis suggested that the e-ticket project be moved to the top of the list and potentially make decisions on at the February meeting. He said we have a fixed amount of time to make these decisions, and some of these projects, particularly when you look at the engineering and planning involved, we need to be sensitive with the timeline we have to work with.

After discussion, it was the consensus of Council to discuss this further at the February 8, 2022 meeting.

Councilman Stubbs made a motion to adjourn. Vice Mayor Greg Willis seconded, and Council unanimously passed the motion as recorded on the attached chart as motion #1.

The meeting adjourned at 7:57 p.m.

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Glyn Willis, Mayor

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Terry Whitehead, Town Clerk

TOWN OF WINDSOR  
 RECORD OF  
 COUNCIL VOTES

Council Meeting Date February 1, 2022 Council W's

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Jerry Whitehead, Clerk