

**Minutes
Windsor Town Council Work Session
Town Hall
April 25, 2023**

The Windsor Town Council met in a work session on April 25, 2023 at 5:30 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: Walter Bernacki
 David T. Adams
 Edward (Gibbie) Dowdy
 Jake Redd
 Marlin Sharp

Council member absent: J. Randy Carr - Vice Mayor

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

Budget Appropriation/Invoice over \$20,000 – WPD Security System

Mr. Saunders reported that the Commonwealth of Virginia has initiated a special Law Enforcement Grant from unspent ARPA funds. He explained that the Town of Windsor qualifies for \$153,000 for the purchase of appropriate equipment that can have the effect of suppressing violent crime in the community. Mr. Saunders noted that the equipment planned for purchase was submitted to the Commonwealth by March 24, 2023, and final approval of the plan will be received May 11, 2023.

Mr. Saunders said as part of this grant opportunity, the WPD has sought a quote for a security system upgrade for the Windsor Police Department. He said the total cost of this upgrade is \$26,764.

Mr. Saunders stated that the purchase of this security system upgrade is recommended to be made from unappropriated ARPA funds until such time as they are reimbursed by the grant.

Mr. Saunders recommended that Council adopt the resolution entitled: A Resolution Appropriating The Sum Of \$26,764 From The American Rescue Plan Act Unappropriated Fund Balance Of The General Fund And Approving A Budget Amendment For Fiscal Year 2023 For The Acquisition Of The Security System Upgrade For The Windsor Police Department.

Chief Riddle answered several questions regarding the 10 year camera license, software upgrades, location of cameras, infrared capabilities, data storage and monitoring.

Chief Riddle explained that this system will also establish a foundation that will allow the Town to upgrade the security surveillance system at Town Hall and add additional cameras throughout the Town as needed in the future.

After further discussion, Councilman Bernacki made a motion to adopt the resolution entitled: A Resolution Appropriating The Sum Of \$26,764 From The American Rescue Plan Act Unappropriated Fund Balance Of The General Fund And Approving A Budget Amendment For Fiscal Year 2023 For The Acquisition Of The Security System Upgrade For The Windsor Police Department. Councilman Adams seconded, and Council unanimously passed the motion as recorded on the attached chart as motion #1.

FY24 Draft Budget and Draft Capital Improvement Plan (CIP) Review

Mr. Saunders said with the end of April approaching, we have been working on the drafts of the FY24 Budget and Capital Improvement Plan (CIP). He said while into the budget cycle, much of the relevant expense information for FY24 has been received; however, we are still waiting on some. Also, we will have one more month of revenue data at the beginning of May to aid in our forecasts in that realm. Mr. Saunders added that at this work session, information about the current status of the budget and CIP drafts will be shared and discussed.

Mr. Saunders stated that the budget drafts enclosed are balanced in the General Fund, but not yet balanced in the Water Fund. He said options to close the gap will be discussed for Council's consideration.

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

General Fund Budget

Revenue – While personal property and 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 the real estate reassessment figures. This FY24 draft includes a 1% increase over the FY23 revenue (At the same 14% tax rate); however, a 15-25% increase from the reassessment is expected.

Mr. Saunders explained that when we receive the reassessment figures, Council will need to make a decision as to whether we reduce the real estate rate to remain the same number that is shown in the draft budget, whether we reduce the rate to make it net neutral, which would be less than what is showing in the draft budget, or whether we capture some of that increase by reducing the rate, but not as low as what is showing in the draft budget now.

Mr. Saunders noted that we will have to have separate public hearings on these numbers regardless of what decision is made.

Mr. Saunders said the reassessment figures will be in before the adoption of our FY24 budget, as questioned by Mayor Stubbs. Mr. Saunders said a change to this draft will have to be made before adopting the budget.

Operations – In the current draft, overall operations expenses are expected to increase due to inflation; however, the only operations expenses currently shown funded by ARPA funds are essential employee/public safety employee bonuses, Law Enforcement Enhanced Retirement, and the General Fund subsidy to the Windsor Town Center.

Personnel – The current draft includes a 5% COLA for town staff. Currently, the General Assembly has a 5% increase in their budget for state employees; however, there is an expectation that it will go to 7% when they reconvene. Most other localities in the region are moving forward with 5%; however, a few are planning for the expected 7% of the state budget.

Retirement – Virginia Retirement System (VRS) rates shown are estimates based upon last year's costs; we have not yet received any updated rates.

Health Insurance – Local Choice (Cardinal) health costs will increase 11% +/- for FY24 individual employees with an increase of 8.9% +/- 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 16% +/- (Payments to Other Governments line item). The primary drivers of this increase are salary/benefits increases for dispatchers and the new CAD/RMS system.

Virginia Risk Sharing Association Insurance – We have not received the insurance premium amount for FY24; the amount currently programmed for FY24 is an estimate.

Water Fund

Rates – Prior to FY21 Council had 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. The FY21 budget did not include an increase during the pandemic, one was instituted in FY22 and another in FY23 to get us back on the prior schedule. At this time no increase is shown for FY24.

Depreciation – The current draft shows depreciation as fully funded at \$80,735.72.

Mr. Saunders explained that in previous years, depreciation has been funded 80 to 90 percent. He explained that at the end of the fiscal year, the auditors have the Treasurer prepare journal entries to balance, and if we have a surplus, the auditors allocate 10 to 20 percent of the surplus to fully fund depreciation.

Capital Improvement Plan

The CIP dated 03/15/2023 was recommended for approval by the Planning Commission, it is enclosed here. Also find enclosed, versions dated 04/20/2023 that have minor revisions. Most of the changes are to roll projects forward to FY24 that were not completed or undertaken in FY23.

General Fund – At this time, most of the projects are to be funded by ARPA funds, with \$100,000 from proffers, and the balance from new revenue.

Water Fund – As shown, no water capital projects are to be funded by FY24 water revenue, all with ARPA funds.

Town Center

Revenues – Expected rental fees are increased, General Fund infusion is flat, and fund balance is flat. The general fund contribution for FY24 is from ARPA funds as in FY23.

Expenses – More usage increases operations costs. An increase in staffing costs is included for FY24.

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

Mr. Saunders said he was asked to research Mayor/Council stipends at other Virginia Towns with populations similar to the Town of Windsor. He said of the 10 Towns represented, \$4,119 is the average pay for Mayor, and \$2,641 is the average pay for Council.

Mr. Saunders said the current FY24 draft budget reflects \$4,800 for Mayor and \$2,400 for Council.

Mayor Stubbs asked if Mr. Saunders knew the last time there was a stipend increase for Mayor and Council.

Mr. Saunders said records show that the Mayor received an increase of \$600.00 per year in FY2012-13, but Council did not receive an increase at that time. He said Council's stipend remains the same as it was in 2012.

Mr. Saunders said he does not believe there has been a stipend increase for Planning Commission since FY2004-05, as questioned by Mayor Stubbs.

After discussion, it was the consensus of Council to have Mr. Saunders place this item on the May Council meeting agenda with the recommended stipend of \$4,800 for Mayor and \$2,400 for Council.

Mr. Saunders noted that \$7,500 is in the draft budget for the 4th of July Celebration.

Mayor Stubbs briefed Council on the 4th of July celebration. He said he is on the Events Committee, and they are trying to rebuild the 4th of July event after the pandemic. He said there is a 95% chance that there will be fireworks. He noted that there will be a Cruise In, bouncy houses for the children, face painting, two or three bands, food trucks and vendors.

Mayor Stubbs said the Events Committee will be reaching out for volunteers in the community to help with the 4th of July Celebration.

Mr. Saunders said the committee will also be reaching out to residents and businesses in the community for donations, specifically for the fireworks.

Mayor Stubbs commended Mr. Saunders and the committee for their time and hard work in planning for this event.

Mr. Saunders stated that the Concert Series has not been well attended. He said the Events Committee is discussing possibly having another large event either in the spring or fall, and not having the Concert Series. Mr. Saunders noted that \$7,500 is in the Other Events line item.

Mr. Saunders reported a small increase of \$2,250 in the Residential Collection line item.

Mr. Saunders said as Council is aware, we have been having issues with Bay Disposal services within the Town. He said we have let the contract rollover due to the reasonable collection fee of \$7.00 per household, and the fact that Bay Disposal was the only vendor doing refuse collection in this area at the time.

Mr. Saunders said there are other refuse collection vendors now, and Isle of Wight County has contracted with another company other than Bay Disposal.

Councilman Bernacki asked if a Request for Proposal (RFP) can be submitted just to see what the new numbers are before making the decision of rolling over the Bay Disposal contract.

Mr. Saunders said he would have to consult with Mr. Taylor regarding this matter. He suggested that maybe an 'informal request' could be sent to other vendors.

Councilman Dowdy noted that trash cans are being slammed down so hard that they are causing cracks in the sidewalks. He said sidewalks will need to be replaced if this is not addressed.

Mr. Saunders noted that the \$100,000 for the backhoe has been rolled forward because we may not make payment until after July 1, 2023 even if it is delivered in June.

After completing the review of the FY24 Draft Budget, Mr. Saunders reported \$1,696,000.00 in revenues and \$1,716,830.10 in expenditures, with a \$20,830.10 shortfall in the budget.

Mr. Saunders said we could close the gap in the budget with a \$0.25 increase in the water rate which would generate approximately \$19,000. He noted that next year would normally be the year we would increase the water rate.

Mr. Saunders also suggested showing the depreciation at 75% funded. He explained that we will likely have a surplus at the end of the fiscal year where the auditor will have funds rolled back into depreciation to have it fully funded like what has occurred in previous years, or the gap can be closed with Fund Balance.

After discussion, Council agreed by consensus to close the gap in the budget by funding depreciation at 75%.

Mr. Saunders continued to review the Space Needs Fund and the Town Center Fund. He said \$100,000 has been put in this year's Space Needs Fund, and \$200,000 will be put in next year's budget, as directed by Council, for future space needs such as a new Town Hall.

Mr. Saunders reviewed the CIP, and reported that it was recommended for approval by the Planning Commission.

Mr. Saunders added that Chief Riddle has included in the packet a memo and spreadsheets recommending a pay plan for the Windsor Police Department (WPD) to help with some of the compression and competition that we're seeing in other departments around the region.

Mr. Saunders reviewed two pays plans. He said Plan 1 includes a 7% increase and \$5,800 in decompression funds, and Plan 2 includes a 5% increase and \$6,500 in decompression funds.

Mr. Saunders explained that currently we are showing the 5% COLA for all employees. He said if Council is interested in adding the decompression funds, the most likely scenario would be Plan 2 by just adding the decompression to the 5% increase. He noted that the \$6,500 will probably be more like \$10,000 with benefits.

Chief Riddle said the WPD made adjustments in September 2022 with excess of 599 funds from the state to boost the salaries of our lowest paid officers to a minimum of \$48,000 to attempt to remain competitive with other area localities increased starting pay. He said WPD is aware that we cannot compete with other localities dollar for dollar in regards to pay rates, but we would like to try and close the gap to help ensure retention of our officers and to competitively recruit officers when vacancies do occur. WPD believes we will likely need to adjust the pay bands of officers in the current pay scale to stay competitive with other agencies locally over the long term.

Chief Riddle noted that one of his most experienced officers is retiring, and another officer has applied to another agency where if he gets hired, he will be making \$26,000 more than his current salary.

Chief Riddle said this year WPD is seeking to address some internal pay compression issues that have developed over the past several years based on the officers' tenure with WPD and overall years of experience as a law enforcement officer. He said WPD has developed several different pay adjustment scales and plans for consideration to address compression issues.

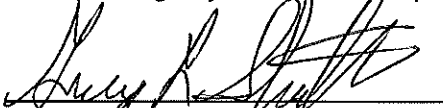
Chief Riddle said the Town does offer a good working environment, training opportunities and lower call for service volume than most other surrounding agencies in a continued effort to retain employees and attract new officers.

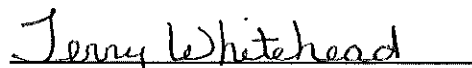
After discussion, Council agreed by consensus to program Plan 1 with a 7% increase and \$5,800 in decompression funds into the draft budget.

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

Councilman Dowdy briefed Council on his conversation with Mike Duman regarding a potential flag and flagpole to be placed in the Town. He said Mr. Duman pays \$500 a year for flags, and he replaces the flag maybe twice a year, depending on the weather. Council continued to discuss other potential donors who may be interested in purchasing a flag and flagpole to be located in the Town of Windsor.

Councilman Bernacki made a motion to adjourn. Councilman Dowdy seconded, and Council unanimously passed the motion as recorded on the attached chart as motion #2. The meeting adjourned at 7:21 p.m.


George Stubbs, Mayor


Terry Whitehead, Town Clerk

TOWN OF WINDSOR
 RECORD OF
 COUNCIL VOTES

Council Meeting Date April 25, 2023 Work Session

Motion #	Adams	Dowdy	Sharp	Redd	Bernacki	Carr	Stubbs
1	✓	✓	✓	✓	✓	absent	
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Jerry Whitehead, Clerk