

TOWN OF WINDSOR AGENDA REPORT

Joint Windsor Town Council, Windsor Redevelopment Successor Agency and Windsor Water District Meeting Date: June 17, 2026

To: Mayor and Town Council
From: Lauren Berges, Senior Management Analyst
Nick Walker, Administrative Services Director
Subject: Fiscal Accountability and Stewardship Policy in Response to Community Expectations

Recommendation to Council:

Adopt a resolution approving the Fiscal Accountability and Stewardship Policy, formalizing the Town's commitment to transparency, responsible financial management, and clear public reporting, including the oversight expectations identified through recent community engagement.

Strategic Plan Element:

The recommended action supports the goal of Fiscal Health. Goal Statement: Ensure the economic health and long-term financial viability of the Town.

Background:

On November 19, 2025, the Town Council directed staff to engage the community to better understand resident priorities, gather feedback on potential fiscal solutions, and assess public sentiment regarding a possible local Transactions and Use Tax measure. From December 2025 through March 2026, staff conducted the most extensive fiscal policy outreach effort in the Town's history, meeting with civic groups, commissions, seniors, students, business leaders, and the broader community.

Across all outreach settings, residents consistently emphasized that accountability, transparency, and responsible stewardship of public funds are essential prerequisites for considering any new revenue measure. Residents expressed strong interest in protecting core services, particularly roads, infrastructure, and public safety, but also made clear that trust in government depends on visible, accessible, and ongoing oversight of how public dollars are managed.

On April 1, 2026, the Town Council unanimously directed staff to prepare draft ballot materials for a potential November 2026 Transactions and Use Tax measure, including a comprehensive accountability framework. On June 3, 2026, the Council reviewed the draft ballot question, ordinance, and supporting materials, which included several accountability components such as public reporting, independent audits, and the potential establishment of a Citizens Oversight Commission should a measure move forward.

While much of the recent community dialogue has occurred in the context of exploring a local General Transactions and Use Tax, the expectations expressed by residents of transparency, clear reporting, and visible oversight, reflect broader values that apply to the Town's fiscal management as a whole. The Fiscal Accountability and Stewardship Policy presented today formalizes the Town's commitment to transparency and responsible financial management. While the policy is informed by the community's expectations and the accountability themes discussed during the development of the potential revenue measure, it stands independently and is not intended to establish or govern a Citizens Oversight

Commission. The Commission, if pursued, would be considered separately as part of the broader oversight structure associated with a future Transactions and Use Tax measure.

Discussion:

For decades, the Town has maintained a strong record of responsible stewardship, consistently delivering high quality services while navigating rising costs, unfunded mandates, and infrastructure demands. The consideration of a local sales tax represents a new step for Windsor, which has historically relied on prudent budgeting, cost containment, and long-term planning rather than new revenue measures. As the Town continues its efforts to place a General Transactions and Use Tax measure on the November 2026 ballot, reaffirming its commitment to transparency and responsible financial management is essential.

Transparent Budgeting

The Town of Windsor already maintains a strong foundation of transparent public budgeting. Each biennial budget is developed through a public process that includes study sessions, open Council deliberations, and publication of detailed financial documents that outline revenues, expenditures, long term obligations, and service impacts. Budget materials, financial forecasts, and supporting analyses are made available to the public in advance of Council consideration, and all budget hearings are conducted in open session to ensure that residents can follow and participate in the Town’s fiscal decision making. This commitment to openness is further reinforced through regular financial updates, mid cycle reviews, and the publication of the Town’s Annual Comprehensive Financial Report, which provides a complete and independently audited picture of the Town’s financial condition. The Fiscal Accountability and Stewardship Policy builds upon this existing framework by formalizing the expectations for transparency and public reporting that residents consistently emphasized during the Town’s outreach process.

Independent Financial Audits

The Town's financial statements are audited annually by an independent certified public accounting firm in accordance with Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards issued by the Comptroller General of the United States. These standards require auditors to evaluate the Town's internal controls, test financial transactions, assess compliance with applicable laws and regulations, and obtain reasonable assurance that the Town's financial statements are free from material misstatement.

Under Generally Accepted Accounting Principles (GAAP), revenues generated from a local transactions and use tax measure would be reported within the Town's General Fund. Because the General Fund is the Town's primary operating fund and is always reported as a major fund in the Town's Annual Comprehensive Financial Report, it receives significant attention from both management and the Town's independent auditors. Auditors perform extensive testing of General Fund revenues, expenditures, fund balance, internal controls, and compliance with applicable laws and regulations as part of the annual audit process.

This level of scrutiny often provides greater transparency and accountability than would be achieved through the creation of a separate non-major special revenue fund. By reporting the revenues within the General Fund while separately tracking and publicly reporting the receipt and expenditure of those revenues, the Town can provide residents with clear visibility into how the funds are used while maintaining the full benefit of the comprehensive audit procedures performed each year under GAAS and Government Auditing Standards.

The annual audit results are presented publicly to the Town Council and are available for review by

residents, providing an independent assessment of the Town's financial stewardship and use of public resources.

Citizens Oversight Commission

In addition to independent financial audits and clear public reporting, many residents emphasized the importance of having a community-based body that could review how revenues are received and spent and provide an additional layer of transparency. In response to this feedback, staff has been developing the concept of a Citizens Oversight Commission as part of the broader accountability framework associated with a potential Transactions and Use Tax measure. The Commission is not established by the Fiscal Accountability and Stewardship Policy itself; rather, it would be created separately through ordinance if the Council ultimately places a measure on the ballot and voters approve it.

The Commission's role will be advisory in nature and focused on reviewing the receipt and expenditure of local sales tax revenues, monitoring progress toward Council-adopted objectives, and providing periodic reports and recommendations to the Town Council. Meetings of the Commission will be conducted publicly and in accordance with applicable open meeting laws, allowing residents to observe and participate in the oversight process.

This additional layer of community review is consistent with practices utilized by many California municipalities and reflects the Town's commitment to ensuring that local tax revenues are spent in a manner that is transparent, accountable, and aligned with voter expectations.

Preserving Quality of Life While Addressing Deferred Maintenance

Residents also emphasized the importance of long-term fiscal sustainability. The Town faces two interconnected financial challenges. The first is maintaining the public services, programs, and facilities that contribute to Windsor's quality of life. The second is addressing the ongoing maintenance and replacement needs of the Town's infrastructure, including streets, parks, public facilities, and other community assets.

While deferred maintenance often focuses attention on today's backlog of unmet needs, the more important long-term objective is to ensure that the Town can sustainably maintain its infrastructure for future generations. In municipal finance, success is not measured solely by eliminating existing deferred maintenance, but by establishing a funding strategy that prevents new deferred maintenance from accumulating year after year.

The Town's long-range financial planning indicates that a balanced approach is necessary. A portion of any future sales tax revenues would be directed toward maintaining and reinvesting in critical infrastructure, while another portion would be used to address the Town's structural operating deficit and preserve essential public services. This approach recognizes that residents depend not only on well-maintained roads, parks, and facilities, but also on public safety, community services, emergency preparedness, code enforcement, and other core municipal functions.

The Town's commitment is to responsibly balance these competing needs so that Windsor can both preserve the quality-of-life residents expect today and protect the public assets that future generations will rely upon tomorrow. The Fiscal Accountability and Stewardship Policy reinforces this approach by establishing clear expectations for transparency, reporting, and responsible financial management.

Fiscal Impact:

There is no fiscal impact associated with the recommended action.

Environmental Review:

The recommended action does not constitute a “project” within the meaning of California Environmental Quality Act (CEQA) Guidelines Section 15378 and requires no environmental review.

Attachment(s):

[1. Resolution](#)

[Exhibit A](#)

[13.3 PowerPoint \(Distributed 2026.06.16\)](#)

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