

TOWN OF WINDSOR AGENDA REPORT

Joint Windsor Town Council, Windsor Redevelopment Successor Agency and Windsor Water District Meeting Date: October 15, 2025

To: Mayor and Town Council
From: Nick Walker, Administrative Services Director
Subject: Fiscal Year 2024-25 Financial Update and Potential Allocation of Additional Funding for Fiscal Years 2025-27

Recommendation to Council:

Receive a financial update for Fiscal Year 2024–25 and provide direction on the potential allocation of additional funding for Fiscal Years 2025–27 projects and programs.

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:

The Town Council adopted the Fiscal Year (FY) 2025–27 Recommended Budget on June 18, 2025. The adopted biennial budget totaled approximately \$272 million, with \$126 million in operating expenditures, \$142 million in capital expenditures, and \$4 million in debt service. The budget was prepared in alignment with the Town’s Financial Management Policies and budget principles, with an emphasis on long-term sustainability and fiscal prudence.

During the budget process, staff highlighted the significant financial challenges facing the Town. Stalled development activity, inflationary cost pressures, and declining sales tax and transient occupancy tax revenues placed pressure on the General Fund. Departments were required to reduce operating budget requests by 10%. Additional budget balancing measures included reductions to staffing levels within the Sheriff’s contract, deferring maintenance and moving selected operating and capital costs to the discretionary list.

At that time, staff recommended that decisions regarding discretionary spending items be postponed until more complete information was available about the Town’s financial position. With the FY 2023/24 audit finalized and the FY 2024/25 unaudited actuals prepared, staff is now able to present updated financial information to the Town Council for consideration.

Discussion:

Since adoption of the FY 2025–27 budget, the FY 2023/24 audited financial statements have been completed and approved. Closing processes for FY 2024/25 have been successful, and staff is presenting unaudited actuals for FY 2024/25 General Fund at tonight’s meeting.

- Attachment 1: Financial statements presented during the FY 2025–27 budget process.
- Attachment 2: Financial statements similar to those presented during the FY 2025-27 budget process including an additional column for the FY 2024/25 unaudited actuals.

During the budget process, staff recommended postponing decisions on funding discretionary items until this October financial update. In preparation for the meeting, staff distributed an updated discretionary list to Councilmembers on October 6, 2025, along with an input tool to collect recommendations.

The updated list (Attachment 3) removed items already funded through the adopted budget or alternative methods, identified items suitable for deferral, and prioritized remaining items based on health and safety, asset investment, and one-time nature. Additional project information was also provided to support review.

It is important to note that the adopted budget includes funding for Chamber of Commerce operations, Senior Center Pool operations (May and October) 2025 Windsor Day Parade and 2025 Fiestas Patrias, consistent with Council direction at the time of adoption. The updated list (Attachment 3) also removes items funded through alternative methods, including Summer Nights on the Green (SNOG), SNOG Movies, Wasteless Windsor, Farmers Market Special Events, KABOOM Firework Support, Public Art Projects – Redwood Catalyst and WUSD Student Art Showcase. The updated list is being presented in two sections: prioritized remaining items based on health and safety, asset investment, and one-time nature and identified items suitable for deferral.

Staff has utilized the time between budget adoption and fiscal year-end closing to prepare updated financial information. When comparing the estimated FY 2024/25 financial statements used during the budget process to the FY 2024/25 unaudited actuals, the results are not significantly different. This consistency provides confidence in the Town's financial outlook and does not alter staff's original recommendations regarding discretionary spending items. Staff's recommendation using a fiscally conservative approach is to forgo significant discretionary spending at this time. Looking ahead, staff remains committed to providing Council with timely and accurate financial information throughout the year. In addition to this October financial update, staff will provide a mid-year budget review in February and a mid-biennium review in June of non-adoption years.

Councilmembers were asked to allocate potential funding amounts of \$250,000, \$500,000, and \$1,000,000 across priority items, using a model similar to the Town non-profit grant funding program allocation process. Submissions will be tallied and averaged to provide options for Council discussion at this meeting. Staff's overall recommendation remains unchanged.

Fiscal Impact:

A budget amendment to the Fiscal Year 2025-26 council adopted budget for any amount of discretionary funding approved by the Council. This would reduce the estimated available general fund balance accordingly.

Environmental Review:

The project is exempt from the California Environmental Quality Act (CEQA) in accordance with section 15301 because it consists of repair and maintenance of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use. Therefore, no environmental review is required.

Attachment(s):

1. Financial Update
2. Financial Update with Additional Column
3. Updated Discretionary List
- 13.1 Correspondence Received (Distributed 2025.10.13)

Prepared by:

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Administrative Services Director

Approved by:

Jon Davis

Town Manager