TOWN OF WINDSOR
AGENDA REPORT

Joint Windsor Town Council, Windsor Redevelopment Successor Agency and Windsor Water District Meeting Date: July 15, 2026

To:	Mayor and Town Council
From:	Jon Davis, Town Manager Tim Ricard, Economic Development Manager Lauren Berges, Senior Management Analyst
Subject:	Resolution Approving a One Percent (1%) Transactions and Use Tax Ordinance, Ordering the Submission to the Qualified Electors, Approving the Ballot Question, Directing Town Attorney to Prepare an Impartial Analysis, and Providing for Ballot Arguments and Rebuttals; and an Ordinance Adding Chapter 6 to Title II of the Windsor Municipal Code, Establishing a One Percent (1%) General Transactions and Use Tax

Recommendation to Council:
1. Adopt a Resolution:
- Approving an ordinance and ordering that a measure be submitted to the voters of the Town of Windsor General Municipal Election to be held on November 3, 2026, to consider a one percent (1%) Transactions and Use Tax, also referred to as one cent per dollar;
- Directing the Town Attorney to prepare an impartial analysis of the measure;
- Provide for ballot arguments and rebuttals, including authorizing the Town Council to designate members to prepare primary argument and rebuttal in favor or the measure, consistent with Elections Code 9282-9285; and

2. Introduce, by title only, an Ordinance of the Town of Windsor Adding Chapter 6 to Title II of the Windsor Municipal Code, establishing a one percent (1%) general transactions and use tax, to be administered by the California Department of Tax and Fee Administration, subject to the approval of a majority of qualified electors casting votes on the November 3, 2026, Municipal Election.

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:
For more than three decades, Windsor has maintained safe neighborhoods, well kept streets, parks, and community amenities that contribute to the Town’s high quality of life. However, the cost of providing these essential services particularly public safety, basic maintenance, and day to day operations has grown faster than the Town's revenues. Windsor currently has no locally controlled sales tax, with sales tax revenues limited to its allocated share of the statewide Bradley-Burns sales and use tax.

During development of the FY 2025–27 Biennial Budget, the Town implemented approximately $6 million in reductions, including reducing three police positions, holding vacancies open, and deferring more than $5 million in major maintenance. Even with these reductions, nearly $8 million in one time reserves was required to maintain existing service levels, a practice that is not sustainable.

In response, the Town Council initiated a shift toward long term fiscal solutions and reviewed a comprehensive analysis of available local revenue options. That analysis concluded that only a one cent Transactions and Use Tax could generate the revenue scale necessary to address the Town's structural deficit at a majority vote threshold. Between December 2025 and March 2026, staff conducted extensive community engagement to assess resident priorities and evaluate support for a potential measure. Residents consistently emphasized the importance of protecting essential services and ensuring strong oversight and transparency.

On April 1, 2026, following review of the community feedback summary, the Town Council unanimously directed staff to prepare draft ballot materials for a one percent Transactions and Use Tax measure for potential placement on the November 3, 2026 General Election ballot. On June 3, 2026, the Council reviewed the fiscal analysis, draft ordinance, and draft ballot question and directed staff to return with the final ballot measure package for Council consideration.

Discussion:
On June 17, 2026, the Town Council adopted Resolution 4098-26 calling the November 3, 2026, General Municipal Election for the purpose of electing three (3) members of the Town Council. Proposed ballot measures or initiatives are typically considered separately. Adoption of the attached resolution is necessary to authorize the submission of a proposed one percent (one cent per dollar) general Transactions and Use Tax to the voters at the November 3, 2026, General Municipal Election.

If the Council approves placing the measure on the ballot, staff will transmit the required materials to the Registrar of Voters, including the 75 word ballot question, the ordinance establishing the tax, and the impartial analysis prepared by the Town Attorney. The resolution also authorizes the Town Council to designate members to prepare the primary argument and rebuttal in favor of the measure, consistent with Elections Code requirements. The ordinance establishing the tax would take effect only if approved by a majority of Windsor voters.

Consolidation with the November 3, 2026 general election will ensure higher voter participation and reduce administrative costs, as the County will conduct all aspects of the election. Consistent with Council direction, the measure will be accompanied by accountability and transparency provisions, including annual independent audits, public reporting on revenues and expenditures, and a Council adopted accountability framework. These measures are intended to ensure that the community has clear, ongoing visibility into how locally controlled revenue is generated and used.

Fiscal Impact:
If approved by voters, the one percent Transactions and Use Tax is estimated to generate approximately $5.7 million annually in locally controlled revenue. Funds would support essential Town services, including police and emergency response, street and infrastructure maintenance, and other general governmental purposes.

The incremental cost of adding a Town ballot measure to the consolidated November 2026 Election would be paid from the existing General Fund election account, budgeted at $27,500 (FY 2026-27).

Environmental Review:
The recommended action does not constitute a "project" within the meaning of California Environmental Quality Act (CEQA) (Public Resources Code § 21000 et seq. and 14 Cal. Code Reg. § 15000 et seq., (CEQA Guidelines)). The proposed sales tax is a general tax that can be used for any

legitimate governmental purpose; it is not a commitment to any particular action. Accordingly, under CEQA Guidelines section 15378(b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue from the tax were used for a purpose that would have either such effect, the Town would undertake the required CEQA review for that particular project the earliest feasible time prior to approval of that project.

Attachment(s):
1. Resolution
2. Proposed Ordinance - 2026 Transactions and Use Tax
Exhibit A - 2026 Transactions and Use Tax Ordinance
14.1 PowerPoint (Distributed 2026.07.14)
14.1 Correspondence Received During Meeting (Distributed 2026.07.16)

Prepared by:
Lauren Berges
Senior Management Analyst

Tim Ricard
Economic Development Manager

Approved by:
Jon Davis
Town Manager