

TOWN OF WINDSOR AGENDA REPORT

Joint Windsor Town Council, Windsor Redevelopment Successor Agency and Windsor Water District Meeting Date: April 1, 2026

To: Mayor and Town Council
From: Jon Davis, Town Manager
Tim Ricard, Economic Development Manager
Lauren Berges, Senior Management Analyst
Subject: Budget Challenges and Revenue Options: Community Feedback and Council Direction

Recommendation to Council:

Receive the summary of public feedback gathered through community meetings held from December through March 2026 regarding the Town's General Fund revenue challenges and potential solutions, and provide direction to staff on whether to prepare a 1% Transactions and Use (sales) Tax measure for potential placement on the November 2026 ballot.

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 of Windsor is navigating a structural General Fund deficit driven by stagnant General Fund revenue growth; rising public safety costs; aging infrastructure and escalating construction costs; insurance market instability and rising premiums; inflationary increases in the cost of consultants, supplies, and materials; and unfunded State mandates that impose additional costs while eroding local control. In response, on November 19, 2025, the Town Council directed staff to engage the community to better understand residents' priorities, gather feedback on potential fiscal solutions, and assess community sentiment regarding a possible transactions and use (sales) tax measure for future consideration.

Since December 2025, the Town has undertaken an extensive community engagement effort to share information about Windsor's budget challenges and potential revenue options, including a possible local sales tax measure. The purpose of this outreach has been to provide transparent, consistent information about the Town's structural deficit, gather feedback on community priorities, and understand how residents, businesses, and stakeholder groups view the Town's fiscal future. This agenda report provides a compilation of the themes, concerns, and priorities expressed across these meetings, along with the results of anonymous community feedback forms collected through the Town's website.

The engagement process emphasized open dialogue, with staff presenting the same core information at each meeting to ensure that all audiences regardless of venue received a consistent explanation of the Town's financial situation, service levels, and potential revenue tools. These meetings were open to the public and held in a variety of settings, from formal commission and civic-group presentations to informal community conversations, providing residents multiple opportunities to share their perspectives on service priorities, growth and development, fiscal management, and the potential impacts of a local sales tax. The feedback gathered across these forums has been instrumental in

identifying areas of alignment, points of concern, and the range of views held within the community. To date, the Town has presented “Windsor’s Budget Challenges and Revenue Options” at the following meetings:

December 9 – Windsor Rotary
December 10 – Windsor Chamber of Commerce
January 20 – Senior Citizen Advisory Commission
January 22 – Windsor Youth Sports Board Meeting
January 27 – Community Town Hall
January 28 – Public Art Advisory Commission
January 29 – Windsor Senior Recreation Center Staff Meeting
February 10 – Planning Commission
February 17 – Windsor Democratic Club
February 19 – Windsor Mobile Country Club
February 23 – Windsor High School Leadership Classes
February 23 – Joint Town Council Meeting with Windsor Unified School
February 24 – Windsor High School Leadership Classes
March 3 – Windsor Senior Recreation Center Town Hall
March 11 – Parks and Recreation Commission
March 11 – Community Town Hall in Spanish with Nuestra Comunidad
March 18 – SIRS Group

Related Outreach and Engagement:

February 18 – Measure M Update to Town Council
March 4 – Human Resources Presentation to Council
March 4 – Business License Tax Presentation to Council
March 9 – Windsor Business Community Meeting

Outreach will continue through April and May, with additional meetings and conversations planned to give residents more opportunities to learn about the Town’s fiscal challenges and share their input.

Discussion:

Across these sessions, participants consistently expressed strong interest in understanding the Town's financial outlook and how potential revenue options might affect essential services, community character, and long-term sustainability. The following sections summarize the major themes that emerged from this outreach, including anonymous feedback results and the community's varied perspectives which range from support to concerns and reservations regarding a potential sales tax measure.

While each audience brought its own lens, several clear and consistent themes and priorities emerged across all sessions. These themes provide important insight into how residents understand the Town's fiscal challenges, what services and values they most want to protect, and what information or assurances they need as Council considers potential revenue solutions.

Community Themes

High Value Placed on Core Services

Across all outreach settings, residents consistently highlighted the strong performance of Windsor's core

services. Police services, Parks, Town Green events, and the overall cleanliness and responsiveness of Town operations were frequently cited as strengths. Participants noted well-maintained public spaces, and helpful interactions with staff as examples of service quality they want to see preserved. This positive baseline shaped many conversations about what is most important to maintain as the Town evaluates long-term fiscal options.

Concern About Service Reductions and Long-term Sustainability

A recurring theme across groups was a desire to understand what is at risk if the Town's structural deficit is not addressed. Residents asked direct questions about which services could be reduced, how staffing levels might be affected, and what the community would experience if no new revenue is secured. These questions reflected a broader concern about the Town's ability to sustain current service levels particularly in public safety, infrastructure, and park maintenance over the long-term.

Top Priorities

Roads

Road conditions emerged as the most frequently mentioned issue across meetings, regardless of audience. Participants described deteriorating pavement, visible wear, and the need for more consistent investment in basic infrastructure. Many residents connected road quality to broader concerns about growth, development impacts, and the Town's capacity to keep up with aging assets. This priority was especially prominent in the Town Hall workshop and echoed in more formal settings such as the Planning Commission meeting.

Police

Public safety also emerged as a top priority, with many residents expressing concern about the reduction in sworn officers and the growing sense that additional staffing will be necessary to maintain response times, traffic enforcement, and overall community safety. Participants asked detailed questions about the Sheriff's contract and how staffing levels are determined, reflecting both a desire for transparency and a broader worry that current resources may not keep pace with community expectations as the population in Windsor changes. Across meetings, residents consistently linked adequate police staffing to Windsor's quality of life and emphasized that sustaining public safety services is a core function they want protected as the Town evaluates its long-term fiscal options.

Accountability

Residents also emphasized that should a revenue measure move forward, it must be paired with clear oversight, transparency, and safeguards to ensure funds are used as intended. Across meetings, participants expressed concern about how new revenue would be monitored and how the Town would demonstrate progress. Many residents noted that trust in government is built through visible accountability with public reporting, independent review, and clear documentation of how dollars translate into maintained roads, adequate police staffing, and other core services. These conversations underscored that if a revenue measure moves forward, it must include strong, accessible oversight tools so the community can remain confident that new funding is being managed responsibly and effectively.

Anonymous Community Feedback Results

The anonymous community feedback reflects a population that is deeply invested in Windsor's future

and overwhelmingly committed to remaining in the community long-term. At this point in time, 64 forms have been received. Nearly all respondents indicated they expect to live in Windsor for at least the next decade, and many have already lived here for more than twenty years. This long-term perspective shapes how residents view Town services, growth, and fiscal decisions.

Residents consistently identified public safety and road and infrastructure maintenance as the most essential services the Town provides. These services were ranked as the highest priorities for investment and the most important to protect in the event of budget reductions. Comments reinforce this view, with many residents citing concerns about deteriorating road conditions, traffic congestion, school-area safety, and the Town's ability to support additional population growth with existing infrastructure. While recreation programs, youth services, and community facilities are valued and contribute to Windsor's quality of life, residents generally view them as secondary to core safety and infrastructure needs when tradeoffs are required.

A dominant theme throughout the feedback is the desire to preserve Windsor's small-town character. Nearly 80 percent of respondents rated this as important or very important. Many comments express concern about the pace and scale of new housing developments, particularly multi-story and affordable housing projects, and the resulting impacts on traffic, parking, and community identity. These concerns are closely tied to broader worries about infrastructure capacity and the Town's ability to maintain the sense of community that residents value.

Feedback responses show a near even split between those who support or somewhat support a tax increase and those who do not support it, with a smaller portion unsure. The comments reveal strong skepticism among opponents, who cite concerns about the regressive impact of sales taxes on lower income households, fears that Windsor's tax rate will become uncompetitive, and a belief that the Town should prioritize internal cost reductions before seeking additional revenue. Some also expressed frustration with the scale of recent development and questioned whether new taxes would address the underlying issues they see in Town planning and management.

At the same time, a substantial portion of residents expressed support for a sales tax measure, emphasizing the importance of maintaining public safety, road maintenance, parks, and recreation programs. Supportive comments noted that other Sonoma County cities have already adopted similar measures and argued that Windsor must do the same to sustain essential services. Several respondents indicated they would be more comfortable with a tax measure if it included strong oversight and clear accountability for how funds are used.

Taken together, the anonymous feedback presents a community that is proud of Windsor's identity, deeply concerned about growth and infrastructure pressures, and divided but highly engaged on questions of fiscal policy. The results highlight the importance of transparent communication, careful prioritization of core services, and thoughtful consideration of how growth, service levels, and revenue decisions intersect.

Key Takeaway for Council

Residents Value Town Services and Want Them Protected

Across all outreach formats, conversations consistently emphasized the importance of maintaining Windsor's core services. Public safety, road maintenance, parks and Town Green events, are key contributors to Windsor's quality of life. This strong baseline of satisfaction underscores that residents are not seeking major changes to existing services; rather, they want assurance that current service

levels can be sustained.

There Is Broad Curiosity Toward a Revenue Measure

Across meetings, residents engaged with the idea of a potential revenue measure with an open and inquisitive mindset. Rather than expressing firm support or opposition, most participants focused on understanding how such a measure would work, what it would fund, and how it would affect households and local businesses. As these conversations unfolded, two primary revenue options consistently surfaced for deeper community consideration, a general sales tax and a business license tax, with most questions aimed at understanding which tool could realistically generate the stable, ongoing funding needed to address the Town's structural deficit.

The outreach process surfaced another alternative revenue idea, which was a municipal bond. While this tool warrants explanation, a bond is not a viable tool for addressing the Town's structural General Fund deficit because it cannot be used to fund ongoing operating costs such as public safety services, parks maintenance, insurance, or other day to day expenses. Bond proceeds are legally restricted to capital projects and using them for operations is prohibited. Even if it were permissible, a bond would only postpone and not resolve the underlying imbalance between revenues and the costs of delivering the services that residents told us they want throughout the community engagement process. Moreover, issuing a bond or incurring other debt without a related revenue source—such as an additional tax on property—would add a new annual financial obligation, increasing pressure on the General Fund, requiring additional revenue to cover payments, and ultimately widening the structural deficit unless offset by a new, stable funding source.

At its regular meeting on March 4, 2026, the Town Council received a Business License Tax Analysis presentation outlining how a business license tax could function in Windsor. While a business license tax (BLT) is worth considering as part of the Town's long-term revenue strategy, the analysis makes clear that it cannot meaningfully address the immediate structural deficit. Even under a modernized, voter-approved gross-receipts model similar to the city of Santa Rosa's, projected revenue for Windsor would range from approximately \$350,000 to \$1.5 million per year. This amount falls far short of addressing the Town's roughly \$4 million annual structural deficit and growing deferred maintenance needs. Implementing a BLT would also require annual revenue reporting from all businesses, a formal audit and appeals process, and likely a third-party administrator, whose fees could consume approximately 5–6% of gross revenue. Taken together, these requirements create substantial administrative cost and complexity relative to the amount of revenue the tax is likely to generate.

While a business license tax may serve as a supplemental tool in future years particularly following a fee study and modernization of the Town's ERP, it is not a viable standalone solution to Windsor's structural deficit today.

Why a 1% General Sales Tax Emerged as the Only Viable Option

As participants worked through the Town's fiscal challenges in community meetings, many sought to understand not just whether a revenue measure was needed, but how different tools would function in practice. Questions centered on mechanics (how a Transactions and Use Tax operates), fairness (how the burden is shared across residents, visitors, and businesses), and impacts (what services or infrastructure maintenance could be achieved). As these conversations broadened, residents also asked whether smaller tax rates such as 0.5% or 0.75% could be sufficient, and how those amounts would compare to the Town's ongoing deficit. Through this outreach and the accompanying technical review, staff evaluated each option against the Town's long-term service needs, the scale of the structural gap

and deferred maintenance, and the Town's continued efforts to control costs, including freezing open vacancies, reducing nonessential spending, and identifying operational efficiencies wherever feasible. That analysis showed that while lower rates could provide partial relief, they would fall well short of the revenue required to stabilize the General Fund and would prolong service reductions already in place. In contrast, only a full 1%, locally controlled, general Transactions and Use Tax provides the level of stable, ongoing revenue necessary to meaningfully address the structural deficit and protect core services over time.

Next Steps

If the Town Council directs staff to advance a 1% general Transactions and Use Tax for voter consideration, staff would begin preparing the full suite of materials required for Council review and potential ballot placement. This includes drafting the ordinance, ballot question, impartial analysis, and public facing explanatory materials, including proposed ballot language and options related to the potential term of the measure, all of which would be brought back to the Council in June for review and refinement.

In parallel, staff would work with the Council to develop a formal fiscal accountability and oversight policy establishing expectations for public reporting, use of funds principles, and independent review to ensure the measure reflects the community's strong emphasis on local control, transparency, and responsible stewardship.

Staff would also prepare a comprehensive public information plan to clearly communicate the Town's fiscal condition, the purpose of the measure, and the safeguards that would accompany it. Additionally, recognizing the importance of planning for multiple outcomes, staff would develop an alternative budget scenario outlining service reductions, continued vacancy freezes, and other operational impacts should the measure not be approved for the ballot or fail at the polls. This dual track approach ensures that the Council has the information needed to make an informed decision and that the Town is prepared for either fiscal path moving forward.

Fiscal Impact:

There is no fiscal impact as a result of this item.

Environmental Review:

This 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):

[14.1 Correspondence Received \(Distributed 2026.03.30\)](#)

[14.1 Correspondence Received \(Distributed 2026.03.31\)](#)

[14.1 PowerPoint \(Distributed 2026.03.31\)](#)

Prepared by:

Lauren Berges
Senior Management Analyst

Reviewed by:

Tim Ricard
Economic Development Manager

Nick Walker
Administrative Services Director

Olivia Lemen

Parks and Recreation Director

Approved by:
Jon Davis
Town Manager