

TOWN OF WINDSOR AGENDA REPORT

Joint Windsor Town Council, Windsor Redevelopment Successor Agency and Windsor Water District Meeting Date: May 20, 2026

To: Mayor and Town Council
From: Lauren Berges, Senior Management Analyst
Nick Walker, Administrative Services Director
Subject: Updated Fiscal Governance Policies

Recommendation to Council:

Adopt the following resolutions approving the Town's updated fiscal governance policies and direct staff to incorporate them into the consolidated Fiscal Policies and Administrative Procedures Manual:

1. Adopt a resolution adopting the Town Council Budget Policy and directing its inclusion in the consolidated fiscal policies.
2. Adopt a resolution adopting the Town Council Reserve and Fund Balance Policy and directing its inclusion in the consolidated fiscal policies.
3. Adopt a resolution adopting the Town Council Fiscal Resiliency and Long-term Planning Policy and directing its inclusion in the consolidated fiscal policies.

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:

As part of the Town's broader effort to modernize its financial management framework, staff is bringing forward updated fiscal governance policies for formal adoption by the Town Council. These policies are intended to complement the new Purchasing Ordinance and will ultimately be integrated into a consolidated Fiscal Policies and Administrative Procedures Manual. This manual will include both Town Council-adopted policies and corresponding Town Manager administrative policies to ensure consistency, clarity, and alignment across all financial operations.

The policies presented for adoption: Budget Policy, Reserve and Fund Balance Policy, and Fiscal Resiliency and Long-term Planning Policy, establish the core standards that guide how the Town develops, manages, and protects its financial resources. Together, they define appropriation authority, reserve requirements, long-term planning expectations, and the principles necessary to maintain fiscal stability and transparency.

In addition to the policies presented for adoption, the Town already maintains two key Council adopted financial policies that form part of its fiscal governance framework: the Town's Investment Policy, which is reviewed and adopted annually in accordance with Government Code Section 53646, and the Town's Debt Policy, which was comprehensively updated in 2026 to reflect current regulatory requirements and best practices.

Discussion:

The adoption of these fiscal governance policies represents an important next step in modernizing the

Town's financial management framework and aligning internal practices with best public sector standards. Together, the Budget Policy, Reserve and Fund Balance Policy, and Fiscal Resiliency and Long-term Planning Policy establish the foundational principles that guide how the Town allocates resources, maintains reserves, plans for long-term obligations, and responds to changing fiscal conditions.

These policies are intentionally designed to complement the new Purchasing Ordinance by clarifying the Town Council's appropriation authority, defining the Town Manager's administrative authority, and establishing consistent expectations for budget amendments, carryovers, and long-term planning. When implemented together, the ordinance and these policies create a unified framework that strengthens internal controls, improves transparency, and supports responsible stewardship of public funds.

Budget Policy

The Budget Policy formalizes the Town's biennial budget structure, outlines the roles and responsibilities of the Town Council, Town Manager, Administrative Services Director, and Department Heads, and establishes clear standards for administrative budget amendments and revenue-based adjustments. This policy is essential to ensuring that appropriations are managed consistently and that expenditures do not exceed legally adopted limits.

Reserve and Fund Balance Policy

The Reserve and Fund Balance Policy establishes minimum and target reserve levels for the General Fund and Enterprise Funds, consistent with Government Finance Officers Association (GFOA) best practices. Maintaining adequate reserves is critical to protecting the Town from economic volatility, emergencies, and unexpected infrastructure failures. This policy also provides guidance on the appropriate use and replenishment of reserves, ensuring that one-time resources are not used to support ongoing operations.

The Fiscal Resiliency and Long-term Planning Policy

The Fiscal Resiliency and Long-term Planning Policy reinforces the Town's commitment to structural balance and multi-year financial planning. By requiring ongoing expenditures to be supported by ongoing revenues and by establishing expectations for five-year forecasting, this policy helps the Town identify emerging fiscal challenges early and take corrective action in a timely manner. The policy also provides guidance on the use of one-time resources and emphasizes the importance of maintaining long-term financial stability.

The Town already maintains two key Council adopted financial policies that will be incorporated into the consolidated Fiscal Policies and Administrative Procedures Manual. The Investment Policy establishes the framework for safeguarding public funds, ensuring adequate liquidity, and achieving a reasonable return while complying with California Government Code requirements. It outlines the Town's investment objectives: safety, liquidity, and yield, and sets standards for prudence, internal controls, authorized investment instruments, and reporting.

The Debt Policy, most recently updated in 2026, provides comprehensive guidance on the issuance and management of debt, including acceptable uses of debt proceeds, types of financing instruments, credit rating considerations, and alignment with the Town's long-term capital planning. Together these Council adopted policies will form a cohesive, modernized fiscal management framework that supports consistency, transparency, and strong internal governance across the organization.

The Town Manager Administrative Policies that support day to day financial and operational management are already in place; however, they are currently undergoing a comprehensive update to

align with the Town Council's fiscal governance policies and the new Purchasing Ordinance. These policies include purchasing, purchase cards, travel and reimbursement, budget administration, capital asset management, surplus property, revenue administration, utility billing and collections, cash handling, unclaimed property, privacy and data protection, grant administration, information technology governance, and artificial intelligence use.

Fiscal Impact:

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

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 - Budget Policy](#)
2. Resolution
[Exhibit A - Reserve Fund Balance Policy](#)
3. Resolution
[Exhibit A - Fiscal Resiliency and Long-term Planning Policy](#)

Prepared by:

Lauren Berges
Senior Management Analyst

Approved by:

Jon Davis
Town Manager