RESOLUTION NO. 4087-26

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WINDSOR ADOPTING THE TOWN COUNCIL BUDGET POLICY AND DIRECTING ITS INCLUSION IN THE CONSOLIDATED FISCAL POLICIES

WHEREAS, as part of the Town's broader effort to modernize its financial management framework, staff has prepared updated fiscal governance policies for Town Council adoption, which are intended to complement the new Purchasing Ordinance; and

WHEREAS, the Budget Policy establishes the framework governing the adoption, administration, amendment, and control of the Town's biennial budget and formalizes the Town's budget structure, appropriation authority, administrative amendment standards, and revenue-based adjustments; and

WHEREAS, the Budget Policy is designed to strengthen internal controls, improve transparency, prevent structural imbalance, and ensure that expenditures do not exceed legally adopted appropriations, consistent with best public sector financial management practices; and

WHEREAS, the Town Council desires to formally adopt the Budget Policy as a Town Council Policy and direct its inclusion in the consolidated Fiscal Policies and Administrative Procedures Manual.

NOW, THEREFORE BE IT RESOLVED that the Town Council of the Town of Windsor hereby adopts the Town Council Budget Policy, attached hereto as Exhibit A and incorporated herein by reference; and

BE IT FURTHER RESOLVED that the Town Council of the Town of Windsor does hereby authorize the Town Manager and Administrative Services Director to implement the policy and ensure alignment between the Budget Policy, the Purchasing Ordinance, and related Town Manager Administrative Policies.

PASSED, APPROVED AND ADOPTED this 20th day of May 2026, by the following vote:

AYES:	**COUNCILMEMBERS LEEP, SALMON, WALL, VICE MAYOR POTTER AND MAYOR REYNOZA**
NOES:	**NONE**
ABSTAIN:	**NONE**
ABSENT:	**NONE**

ROSA REYNOZA, MAYOR

ATTEST:

SOMMER HAGEMAN, DEPUTY TOWN CLERK

Attachment:

- **Exhibit A** – Town Council Budget Policy

TOWN OF WINDSOR

Town Council Policy

SUBJECT/TITLE:	POLICY NO:	APPROVED BY:	APPROVAL DATE:
Budget Policy		RESO NO:	

PURPOSE

This policy establishes the framework governing the adoption, administration, amendment, and control of the Town of Windsor's biennial budget.

The purpose of this policy is to:

- Define appropriation authority and responsibility
- Ensure expenditures do not exceed legally adopted appropriations
- Promote fiscal discipline and transparency
- Establish clear standards for administrative budget amendments
- Prevent structural imbalance within Town funds
- Eliminate "use it or lose it" spending behavior

This policy governs how the Town manages appropriations after the budget has been adopted by the Town Council.

AUTHORITY

This policy is adopted pursuant to the authority of the Town Council to adopt and amend the Town's budget.

The Town Council retains ultimate authority over fund-level appropriations.

Nothing in this policy supersedes statutory requirements governing municipal budgeting.

SCOPE

This policy applies to:

- All operating funds
- All enterprise funds
- All special revenue funds
- All capital project funds

- All departments

This policy governs appropriation authority, administrative amendments, and carryover of unexpended appropriations.

BACKGROUND

The Town's budget serves as its primary financial planning and resource allocation tool, guiding how services are delivered, projects are prioritized, and long-term obligations are managed. Historically, the Town has relied on a combination of adopted budget practices, internal procedures, and departmental conventions to administer the biennial budget. As part of the Town's broader effort to modernize its fiscal management framework, the Budget Policy has been updated to formalize these practices, strengthen internal controls, and ensure consistency across departments. The policy establishes clear standards for appropriation authority, administrative budget amendments, revenue-based adjustments, and carryover procedures, providing a transparent and uniform structure for managing the Town's financial resources throughout the budget cycle.

BUDGET STRUCTURE

The Town operates under a biennial budget structure covering a two-year fiscal period, with each fiscal year running from July 1 through June 30.

The adopted budget represents the legal spending authority granted by the Town Council at the fund level.

Appropriations lapse at the end of each fiscal year unless amended in accordance with this policy.

APPROPRIATION AUTHORITY

Town Council

The Town Council adopts the budget and appropriates funds at the fund level.

Any amendment that increases or decreases total appropriations within a fund requires Town Council approval unless otherwise authorized under this policy.

Transfers between funds require Town Council approval.

Town Manager

The Town Manager may:

- Reallocate appropriations within a fund across departments, provided total fund appropriations are not increased.
- Approve administrative budget amendments consistent with this policy.

The Town Manager may not increase total fund appropriations except as authorized under Section 7 (Revenue-Based Adjustments).

Department Heads

Department Heads are responsible for managing appropriations within their department and fund.

Department Heads may not exceed adopted appropriations at the department level without authorization consistent with this policy.

Administrative Services Director
The Administrative Services Director is responsible for:

- Monitoring budget compliance;
- Verifying availability of appropriations prior to processing expenditures;
- Implementing approved budget amendments within the Town's ERP;
- Ensuring that fund-level appropriations are not exceeded.

ADMINISTRATIVE BUDGET AMENDMENTS

Administrative budget amendments may be authorized when:

- The amendment does not increase total appropriations within a fund; or
- The amendment qualifies under Section 7 (Revenue-Based Appropriation Adjustments).

All administrative amendments shall:

- Be documented in writing;
- Be entered into the Town's ERP;
- Be reported to Town Council in a consolidated summary at least annually.

Amendments requiring Town Council approval include:

- Any increase in total appropriations within a fund not otherwise authorized under this policy;
- Creation of new ongoing programs;
- Addition of ongoing staffing;
- Cancellation or creation of capital projects not previously authorized.

REVENUE BASED APPROPRIATION ADJUSTMENTS

The Town Manager may authorize an increase in appropriations within a fund without Town Council approval when all of the following conditions are met:

1. There is a corresponding revenue source that:
    - Has not already been budgeted; and
    - Is sufficient to fully offset the proposed expenditure increase;

2. The adjustment results in zero net impact to fund balance;
3. The revenue and expenditure occur within the same fund;
4. The adjustment does not create an ongoing obligation beyond the amount of the new revenue; and
5. The adjustment complies with all other applicable Town policies.

Revenue-based appropriation adjustments shall be:

- Documented in writing;
- Verified by the Administrative Services Director;
- Recorded in the Town's ERP;
- Reported to Town Council in the next consolidated budget update.

Nothing in this section authorizes the Town Manager to increase total fund appropriations absent corresponding revenue.

CARRYOVER POLICY

Unexpended appropriations lapse at the end of each fiscal year unless approved for carryover in accordance with this section.

General Principles

Carryover:

- Is permitted only for one-time uses;
- Shall not be used to establish or expand ongoing programs;
- Shall not create recurring obligations;
- Is not automatic;
- Is subject to review and approval.

Encumbrances do not automatically carry forward and must be reviewed for eligibility.

Carryover Approval Process

All carryover requests shall:

1. Be submitted in writing by the Department Head;
2. Identify the specific one-time purpose;
3. Demonstrate that sufficient fund balance is available;
4. Be reviewed by the Administrative Services Director to verify funding availability;
5. Be approved by the Town Manager prior to entry into the Town's ERP.

Carryover amounts may be reduced or denied based on fiscal conditions.

Limitations

Carryover shall not:

- Increase total fund appropriations beyond available resources;
- Be used to avoid untimely expenditure planning;
- Be used to defer structural budget corrections.

FUND BALANCE PROTECTION

Administrative amendments and carryover approvals shall not:

- Result in expenditures exceeding available fund resources;
- Reduce fund balance below levels adopted by Town Council policy.

When fiscal conditions deteriorate, previously approved carryovers may be re-evaluated.

REPORTING TRANSPARENCY

The Administrative Services Director shall provide periodic financial updates to Town Council, including:

- A consolidated summary of administrative budget amendments;
- A summary of revenue-based appropriation adjustments;
- A summary of approved carryovers.

Such reporting shall occur at least annually and may be incorporated into mid-year or year-end budget reports.

REVIEW AND AMENDMENT

This policy shall be reviewed at least once per budget cycle or sooner if warranted by:

- Changes in law;
- Organizational restructuring;
- Audit findings;
- Council direction.

Amendments require Town Council approval.

END.

REVISION HISTORY:

