RESOLUTION NO. 4089-26

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WINDSOR ADOPTING THE TOWN COUNCIL FISCAL RESILIENCY AND LONG-TERM PLANNING 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 be incorporated into a consolidated Fiscal Policies; and

WHEREAS, the Fiscal Resiliency and Long-Term Planning Policy reinforces the Town's commitment to structural balance and multi-year financial planning, and establishes expectations for five-year forecasting, responsible use of one-time resources, and long-term fiscal sustainability; and

WHEREAS, the Fiscal Resiliency and Long-Term Planning Policy provides a framework for aligning ongoing expenditures with ongoing revenues, limiting reliance on one-time resources for ongoing operations, and supporting informed decision-making by the Town Council; and

WHEREAS, the policy strengthens internal controls and transparency by requiring reasonable revenue and expenditure assumptions, regular financial monitoring, and timely corrective action when structural imbalances or adverse financial trends are identified.

NOW, THEREFORE BE IT RESOLVED that the Town Council of the Town of Windsor hereby adopts the Town Council Fiscal Resiliency and Long-Term Planning Policy, attached hereto as Exhibit A and incorporated herein by reference; and

BE IT FURTHER RESOLVED that the Town Council authorizes the Town Manager and Administrative Services Director to implement the policy and ensure alignment between this policy, the Budget Policy, the Reserve & Fund Balance Policy, 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 Fiscal Resiliency and Long-term Planning Policy

TOWN OF WINDSOR

Town Council Policy

SUBJECT/TITLE:	POLICY NO:	APPROVED BY:	APPROVAL DATE:
Fiscal Resiliency and Long-term Planning Policy		RESO NO:	

PURPOSE

This policy establishes the framework for maintaining the long-term fiscal health and sustainability of the Town of Windsor.

The purpose of this policy is to:

- Promote structural balance between revenues and expenditures
- Establish expectations for multi-year financial planning
- Provide guidance for the use of one-time and ongoing resources
- Support informed decision-making by the Town Council
- Enhance transparency regarding the Town's financial condition

AUTHORITY

The Town Council is responsible for establishing policies that ensure the long-term fiscal sustainability of the Town.

This policy guides financial planning and decision-making but does not supersede the Town Council's authority over budget adoption and appropriations.

SCOPE

This policy applies to:

- The General Fund
- Enterprise Funds
- All major operating and capital decisions

GUIDING PRINCIPLES

The Town shall manage its financial resources in a manner that:

- Maintains fiscal stability across economic cycles
- Aligns ongoing expenditures with ongoing revenues
- Limits reliance on one-time resources for ongoing operations
- Preserves the Town's ability to respond to emergencies and unforeseen events
- Supports long-term service delivery and infrastructure needs

STRUCTURAL BALANCE

The Town shall strive to maintain structural balance within its funds.

Structural Balance means that:

Ongoing operating expenditures are supported by ongoing recurring revenues, without reliance on one-time revenues, reserves, or fund balance.

A **structural deficit** exists when:

Ongoing operating expenditures exceed ongoing recurring revenues.

The Town recognizes that structural imbalances may occur due to economic conditions, revenue volatility, or cost pressures.

When a structural deficit is identified, the Town shall take reasonable steps to address the imbalance over time.

MULTI-YEAR FINANCING PLAN

The Town shall maintain a multi-year financial forecast to support decision-making and identify emerging fiscal challenges.

The forecast shall:

- Include at least a five-year projection of revenues and expenditures
- Identify structural surpluses or deficits
- Incorporate known cost drivers

The multi-year forecast shall be used to:

- Inform budget development
- Evaluate proposed programs and expenditures
- Identify the need for corrective actions

USE OF ONE-TIME RESOURCES

One-time revenues, reserves, and fund balance should not be used to support ongoing operating expenditures.

Use of one-time resources may be considered in limited circumstances when:

- Addressing temporary revenue shortfalls;
- Funding one-time expenditures; or
- Facilitating a transition to structural balance.

Use of one-time resources shall not create or exacerbate ongoing structural imbalances.

REVENUE AND EXPENDITURE ASSUMPTIONS

Financial planning shall be based on reasonable and supportable assumptions.

Revenue projections shall consider:

- Historical trends
- Economic conditions
- Contractual obligations - (i.e franchise fees, leases, etc.)
- Known changes in revenue sources

Expenditure projections shall consider:

- Contractual obligations
- Inflationary impacts
- Operational requirements

Assumptions shall be periodically reviewed and updated as conditions change.

FINANCIAL MONITORING AND REPORTING

The Town shall regularly monitor its financial condition and update projections as necessary.

Financial reporting shall include:

- Periodic budget-to-actual comparisons
- Updates to the multi-year financial forecast
- Identification of emerging fiscal issues

Financial information shall be presented in a manner that supports transparency and informed decision-making.

CORRECTIVE ACTION

When structural imbalances or adverse financial trends are identified, the Town shall develop and consider implementation of corrective strategies.

Corrective strategies may include:

- Expenditure reductions
- Revenue enhancements
- Operational efficiencies
- Deferral of non-essential expenditures

Corrective actions should be implemented in a timely manner to minimize long-term fiscal impacts.

RELATIONSHIP TO OTHER POLICIES

This policy shall be implemented in coordination with:

- Town Council Budget Policy
- Town Council Reserve & Fund Balance Policy

Together, these policies establish the Town's framework for fiscal governance, stability, and long-term planning.

REVIEW AND AMENDMENT

This policy shall be reviewed periodically and updated as necessary based on economic conditions, organizational changes, or Town Council direction.

Amendments require Town Council approval.

END.

REVISION HISTORY: