

**WINCHESTER BOARD OF COMMISSIONERS SPECIAL MEETING HELD  
MAY 31, 2022 4:15 P.M.**

**PLEDGE OF ALLEGIANCE - Commissioner Cox**

**INVOCATION - City Manager Flynn**

**PRESIDING:**

Mayor Edallen York Burtner

**PRESENT:**

Commissioner JoEllen Reed  
Commissioner Shannon Cox  
Commissioner Kitty Strode  
Commissioner Joe Chenault

City Manager Mike Flynn, Deputy Finance Director Tammy Butler, Deputy City Clerk Dianna Layne, Human Resources Director Tammy Shelton, Purchasing Officer Teresa Henry, and the City Clerk were present.

Upon determining that a quorum was present for the transaction of business, Mayor Burtner called the May 31, 2022 special budget work session to order at 4:15 p.m. in the Commission Chambers of City Hall.

**OLD BUSINESS**

**Budget Work Session**

City Manager Flynn presented his budget memorandum to the Commission for review:

“TO: Honorable Mayor and City of Winchester Board of Commissioners

FROM: Michael H. Flynn, City Manager

DATE: May 27, 2022

SUBJECT: **Proposed City of Winchester FY202 2/2023 Operating and Capital Budgets**

With review of the proposed FY2022/2023 annual Operating and Capital Budgets on Tuesday evening I would like the Commission to be aware of several items in preparation for that meeting.

**General Fund (Operations and Maintenance)**

The current financial stability of the City of Winchester is favorable. The infusion of federal monies over the past couple of years have allowed the City to maintain positive balances in general fund accounts. However, I don’t expect that

cities/counties will be receiving any additional funds in the coming years to the levels that we benefited from over the last 2-3 years which leads me to some of the important items of note.

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Receipt of the CARES and ARPA monies have masked some the needs that are on the immediate horizon. Inflation is definitely on the rise and previously vacant employee positions are being filled. Previous budgets were extremely favorable to budget due to employee related expenses being down due to the lack of filled positions in Fire, Police and Public Works. Regardless, expenses are definitely outpacing revenues. That was evident in the 2021/2022 budget process as well as this year’s process 2022/2023. Last year’s budget was augmented by the CARES monies and this year in order to balance the general fund budget I propose to utilize \$2.4M of the \$4.8M federal monies. The remainder will fulfill needs in the Capital budget. The main take away from this information being, revenue streams (tax rates) are not adequate and should be reviewed with adjustments made in the future.

**Capital**

The capital needs of the City are many with our emphasis being placed on stormwater issues most recently. The departmental capital needs of the City excluding the engineering project budget this year totals approximately \$2.7M. Capital revenue projections total approximately \$3.7M including the ARPA monies. With \$1M remaining to allocate towards engineering projects that total approximately \$5.5M for the coming year. Simple math reveals that the capital needs are at significant deficit (approximately \$4.5M).

While I am fully aware that some of the proposed projects will not occur and be paid for in this fiscal year and potentially extend into multiple fiscal years there is a great need in this arena. The future needs for stormwater improvements and repairs will continue to grow which in turn will call for more capital dollars to be expended.

Future budgets will need to reflect additional monies (revenue streams) in order to maintain pace with the growing capital needs of the City. With the current proposed budget, I propose to utilize general funds to augment capital needs for the coming year (as needed) while developing shovel ready projects in order that grant funds can be applied for and hopefully obtained.

While this is not an exhaustive overview of the budget it provides a synopsis of the overall picture of the current and future needs. I want to emphasize, if revenue stream adjustments (taxes) are not made in the coming years City reserves will be required which in turn will ultimately deplete City reserves.”

Commissioner Cox recommended borrowing funds for stormwater projects if the interest rates are low. He stated there needed to be reserves should an emergency arise.

City Manager Flynn noted the inflation would cut into the City’s budget with numbers continuing to grow. He stated the employee count was down in the Fire, Public Works, and Police Departments for most of the year, with expenses starting to increase.

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He stated some of the ARPA funds were used to balance the budget. He stated if all capital projects, most of them stormwater projects were removed from the budget, the City would be ahead by over \$700,000 but with all the stormwater projects, the City is looking at a possible \$5 million dollars deficit.

City Manager Flynn noted there was some debt service that would be retired this coming fiscal year, noting there would then be a savings in the budget once these were completed.

**ADJOURN**

With no further business, on motion by Commissioner Cox, seconded by Commissioner Reed, and with unanimous vote, the meeting was adjourned.

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Edallen York Burtner, Mayor

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Joy L. Curtis, City Clerk