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## City approves budget with no tax increases

By BRIAN BREHM The Winchester Star  
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Winchester City Manager John Piper and Finance Director Celeste Broadstreet, with their backs to the camera, listen as City Council member Kim Herbstritt, center, discusses Winchester's \$126,250,000 budget for FY27. Looking on at left is City Councilor Kathy Tagnesi.

Photo by Phillip Zabriskie

City Council has approved Winchester's operating budget for fiscal year 2027 without raising any taxes.

The only real sticking point for passing the \$126,250,000 budget for FY27, which is a \$5,690,000 increase from the city's current annual spending plan of \$120,560,000, was procedural. At council's previous meeting on April 28, there was talk of incorporating a higher meals tax rate into the budget so that additional revenues could be appropriated to Winchester Public Schools. On Tuesday, a first reading of the meals tax proposal was on the agenda, but not until after the panel's public hearing and vote on the FY27 budget. That raised questions about what would happen if the budget was approved as-is before the meals tax proposal was considered.

Initially, City Council considered tabling the budget vote until later in its meeting, after they had a chance to discuss raising the meals tax rate a quarter of 1%, taking it from 6½ cents per dollar to 6¾ cents. With no meals tax rate increase, council would be able to allocate \$38,707,015 to the school system, which is \$1,300,000 more than the \$37,407,015 appropriated for the current fiscal year but \$622,466 shy of the schools' requested amount of \$39,329,481. With a meals tax rate increase, an additional \$500,000 in tax revenues would be collected by the city in FY27 and make it easier to fully fund the school system's request.

When council President Corey Sullivan called for a vote on tabling the budget until later in the meeting, the suggestion was rejected 5-4. Councilors Kathy Tagnesi, Chip Newcome, Richard Bell and Kim Herbstritt supported the tabling.

After that vote was completed, Sullivan conducted an unofficial straw poll to gauge council's opinion on raising the meals tax rate. The majority consensus was to leave the tax at its current rate of 6½ cents.

Mayor Les Veach said he opposed a meals tax rate increase because the school system returns an average of \$1.7 million in unspent local revenues to council at the end of each fiscal year. With careful budgeting, the school system could find the extra \$622,466 it wanted within council's \$38,707,015 appropriation, he indicated.

Veach added that if Winchester Public Schools receives less funding from state government sources than anticipated and has a budgetary shortfall in FY27, City Council "could always do a mid-year appropriation. At any time, we can do that."

The mayor also noted that none of the city government departments would receive the full amount of money they requested in the FY27 budget, so it seemed fair that the school system should also tighten its belt.

Councilor Richard Bell, a former member of the Winchester School Board, objected to that statement and continued to push for full funding for the schools.

"Just to clarify, Winchester Public Schools is not a department of the city organization," Bell said, noting that council should focus on the welfare of the school system and its students even if a small tax increase was necessary.

Councilor Emily Windle made a motion to pass the \$126,250,000 FY27 budget as presented with no tax increases.

"I think this year is a chance to finally say, 'We made it work with what we had and that's a real success for our city and our citizens,'" Windle said.

The budget was approved 6-3, with Bell, Herbstritt and Newcome voting in opposition because it fell \$622,466 short of fully funding the school system's requested allocation.

As for the discussion on raising the meals tax rate by a quarter of 1%, that agenda item was removed since the earlier straw poll indicated the increase would not have enough votes to pass.

Winchester's new FY27 operating budget will take effect on July 1.

In other business at Tuesday night's meeting in Rouss City Hall, City Council:

- Unanimously approved an ordinance to move the polling place for Ward 2's First Precinct from Virginia Avenue Charlotte DeHart Elementary School to the Winchester Public Schools Central Administrative Office at 598 N. Kent St.
- Unanimously approved an ordinance to allow people to possess firearms inside any of Winchester's four downtown autoparks, which are considered public property.
- Tabled consideration of a conditional use permit (CUP) application that would allow Lanzetta Properties Inc. to operate a car and truck dealership at 2500 Valley Ave., on a parcel zoned Neighborhood Design District (NDD). The property owner requested the delay.
- Unanimously approved the acceptance of \$1,061,076 in federal funds and \$536,863 in state funds to support operations of the Winchester Transit system.
- Unanimously approved a settlement offer of \$306,375 to reimburse Lawrence O. Sullivan for the acquisition of his property at 520-522 N. Cameron St. that was previously obtained via eminent domain to install public stormwater and sewer utilities.

- Held a first reading of a proposed ordinance authorizing the issuance and sale of \$15,500,000 in general obligation public improvement bonds to finance construction of a new public parking garage for 450 to 500 vehicles on the former Ward Plaza property on Valley Avenue, which is being redeveloped as a mixed-use community known as the Cedar Valley Neighborhood Design District. If built, the garage would be owned and managed by the city.
- Held a first reading of a proposed ordinance that would adjust Winchester's current operating budget to include new revenues and expenditures.
- Held a first reading of a proposed ordinance that would update City Code regarding Winchester's purchasing process in order to bring it in line with state procedures.

Met in executive session for 34 minutes to discuss the hiring of a new city attorney and to consult with current City Attorney Melisa Michelsen regarding pending litigation and related legal issues. No action was taken following the closed-door discussions.

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