



# TOWN OF ERIE

645 Holbrook Street  
Erie, CO 80516

## Meeting Agenda

### Town Council

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Tuesday, July 29, 2025

6:00 PM

Council Chambers

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#### Special Meeting

[Link to Watch or Comment Virtually:](#)

<https://bit.ly/TownCouncilSPECIALMeeting07-29-2025>

#### I. Call Meeting to Order and Pledge of Allegiance

6:00 p.m.

#### II. Roll Call

#### III. Approval of the Agenda

6:00-6:05 p.m.

#### IV. Public Comment On Non-Agenda and Consent Items only.

6:05-6:15 p.m.

*(This agenda item provides the public an opportunity to discuss items that are not on the agenda. The Town Council is not prepared to decide on matters brought up at this time, but if warranted, will place them on a future agenda.)*

#### V. General Business

[25-428](#)

Presentation - Richard Wobbekind, University of Colorado, Leeds School of Business

**Attachments:**

[Wobbekind Presentation](#)

6:15-7:15 p.m.

Presenter(s): Richard Wobbekind, University of Colorado, Leeds School of Business

[25-420](#)

Compensation Market Study Presentation

**Attachments:**

[Market Study PowerPoint](#)

7:15-8:00 p.m.

Presenter(s): Alicia Melendez, Human Resources Director  
Laurie Graves, Graves Consulting, Presenter

[25-435](#)

2026 Budget Forecast and Assumptions

**Attachments:**

[Budget Study Session 7.29 2025 Presentation](#)

8:00-9:15 p.m.

*Presenter(s): Sara Hancock, Finance Director  
Cassie Bethune, Budget & Fiscal Manager*

## **VI. Adjournment**

*9:15 p.m.*

*(The Town Council's Goal is that all meetings be adjourned by 10:30pm. An agenda check will be conducted at or about 10:00 p.m., and no later than at the end of the first item finished after 10:00 p.m. Items not completed prior to adjournment will generally be taken up at the next regular meeting.)*



# TOWN OF ERIE

645 Holbrook Street  
Erie, CO 80516

## Town Council

**Board Meeting Date: 7/29/2025**

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**File #:** 25-428, **Version:** 1

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**SUBJECT:**

Presentation - Richard Wobbekind, University of Colorado, Leeds School of Business

**DEPARTMENT:**    Legislation  
Finance

**PRESENTER(S):**    Andrew Moore, Mayor

**TIME ESTIMATE:** 60 minutes  
*For time estimate: please put 0 for Consent items.*

**FISCAL SUMMARY:**  
N/A

**POLICY ISSUES:**  
Mayor Moore invited Dr. Wobbekind to present information about the current economic forecast.

**STAFF RECOMMENDATION:**  
N/A

**SUMMARY/KEY POINTS**  
N/A

**BACKGROUND OF SUBJECT MATTER:**  
N/A

**TOWN COUNCIL PRIORITY(S) ADDRESSED:**

- ☐ Attractive Community Amenities
- ☐ Engaged and Diverse Community
- ☒ Prosperous Economy
- ☐ Well-Maintained Transportation Infrastructure
- ☐ Small Town Feel
- ☐ Safe and Healthy Community
- ☒ Effective Governance

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**File #:** 25-428, **Version:** 1

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- ☐ Environmentally Sustainable
- ☒ Fiscally Responsible

**ATTACHMENT(S):**

1. Presentation



## Erie City Council

# Attention to the Risks

**Richard Wobbekind**  
Associate Dean  
Leeds School of Business  
Faculty Director  
Business Research Division  
University of Colorado Boulder

July 29, 2025

# National Economy Signals

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GDP stalled, first negative since Q1 2022



Employment and income up



ISM Mfg below 50 for 3 months



Confidence shaken



Consumption up



Prices inched up



Debt and delinquencies growing



Business confidence subdued



Interest rates elevated



Industrial production leveling



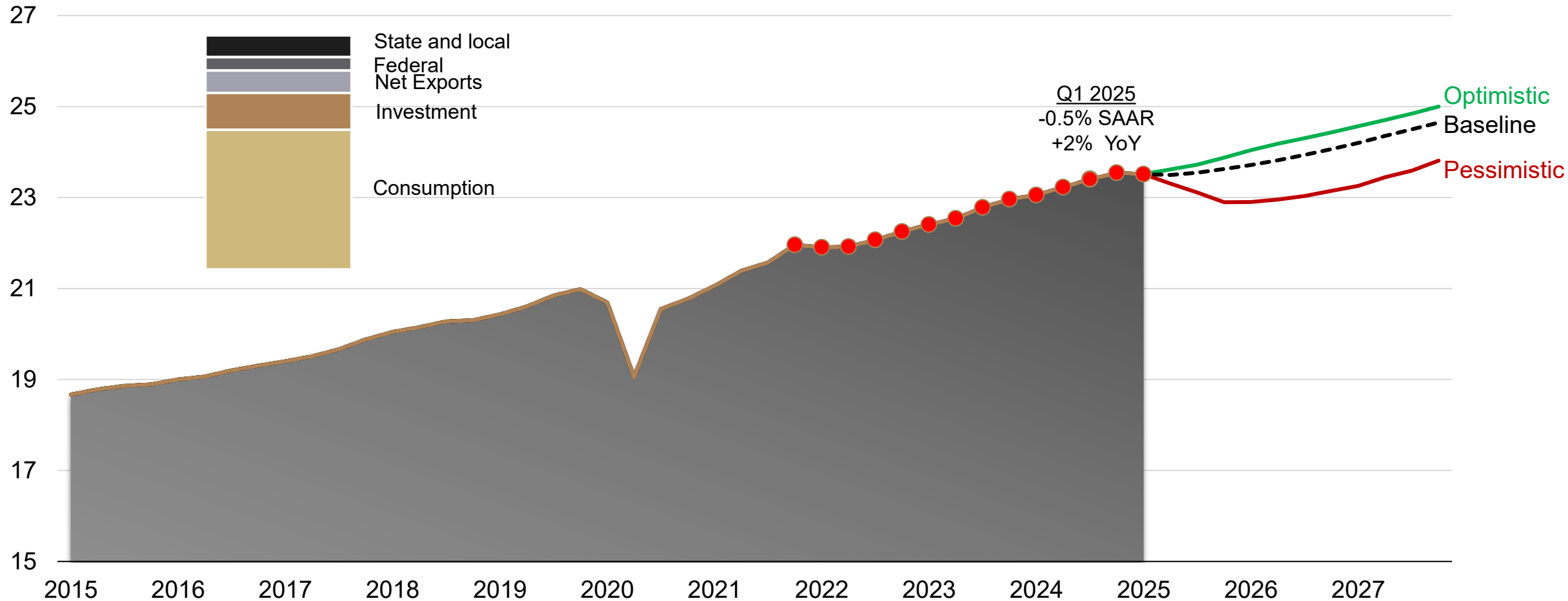
Capacity utilization slipping



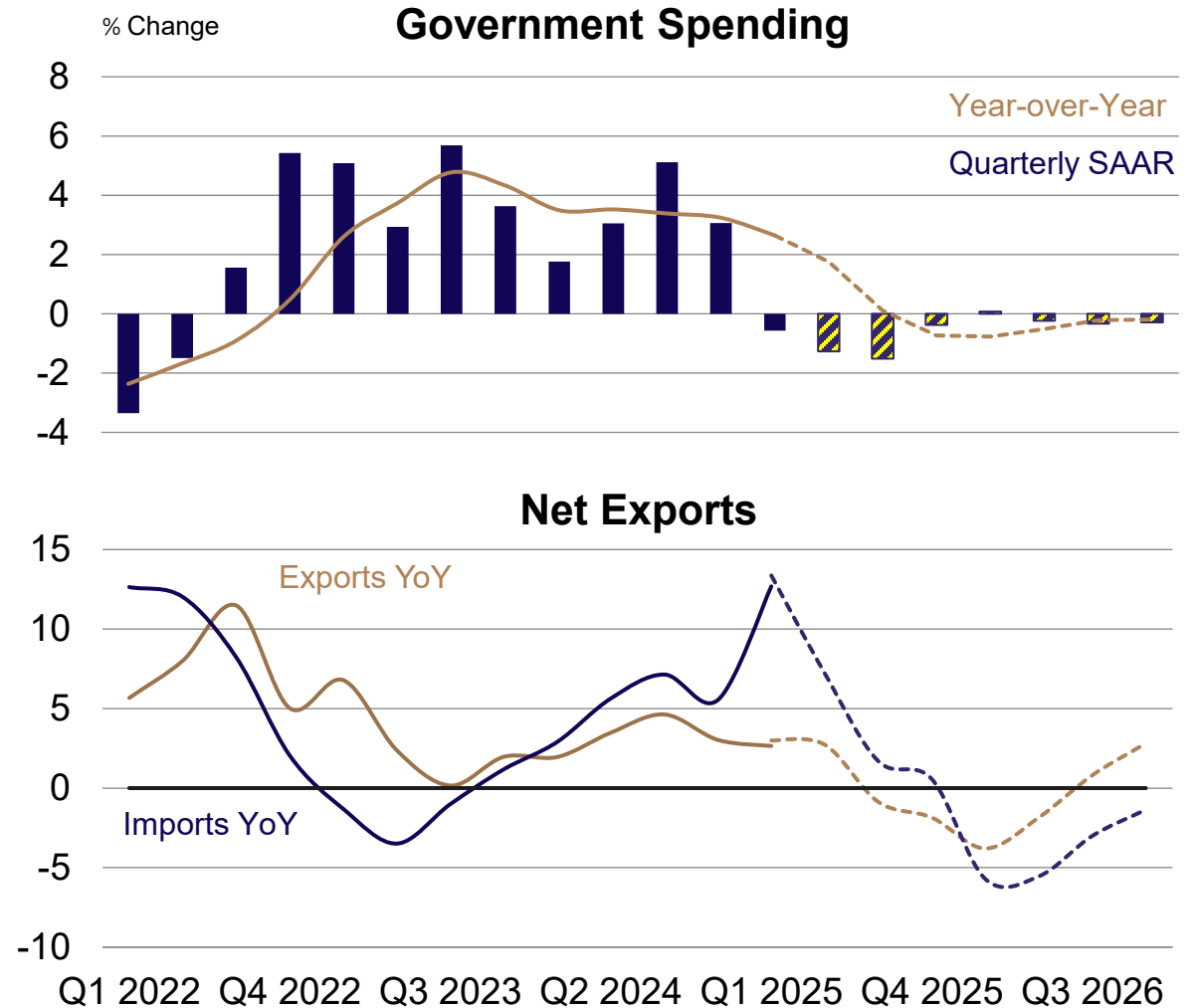
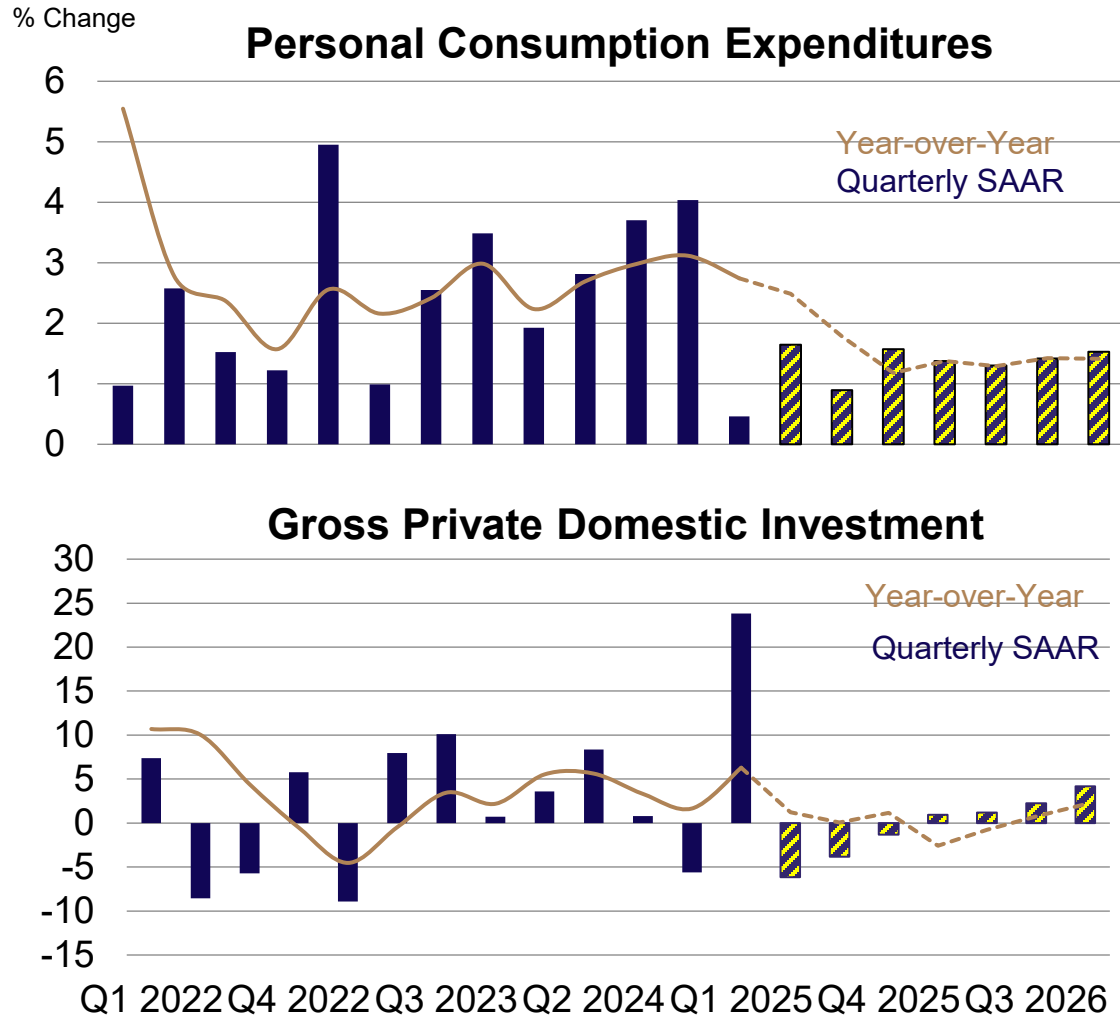
Labor force peaking

# U.S. Real GDP

U.S. Quarterly GDP, \$ Trillions

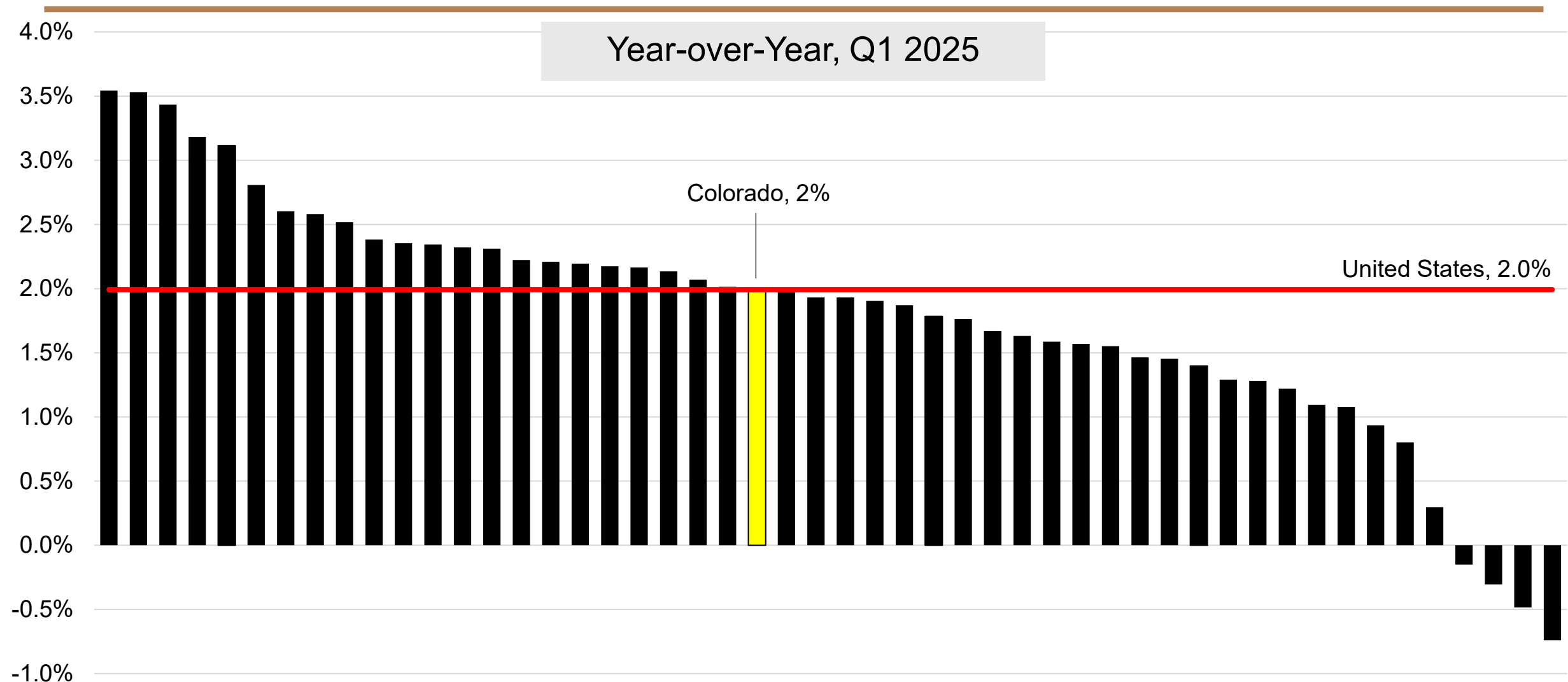


# Economic Growth: C+I+G+X

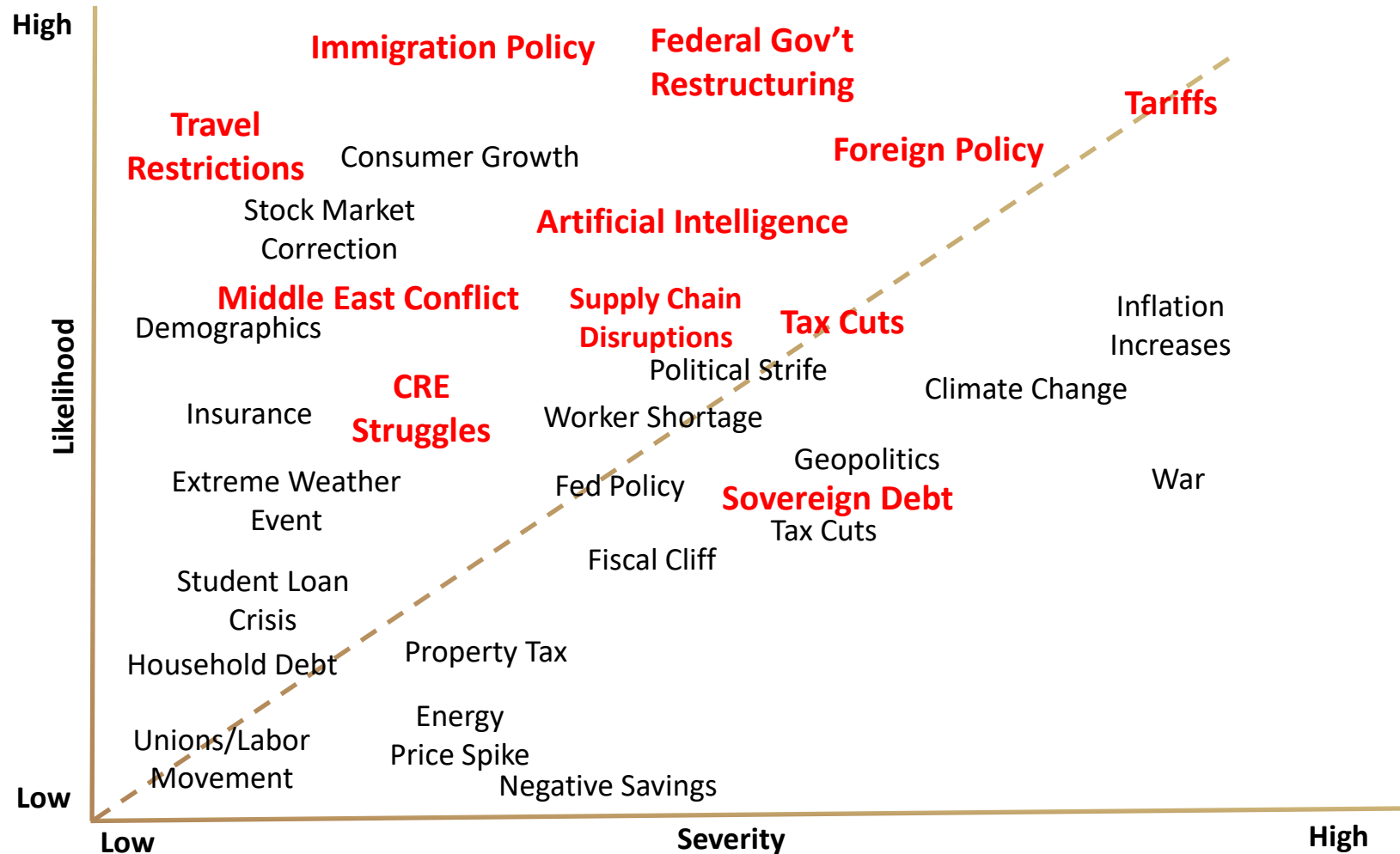




# Real GDP Growth by State



# Risks







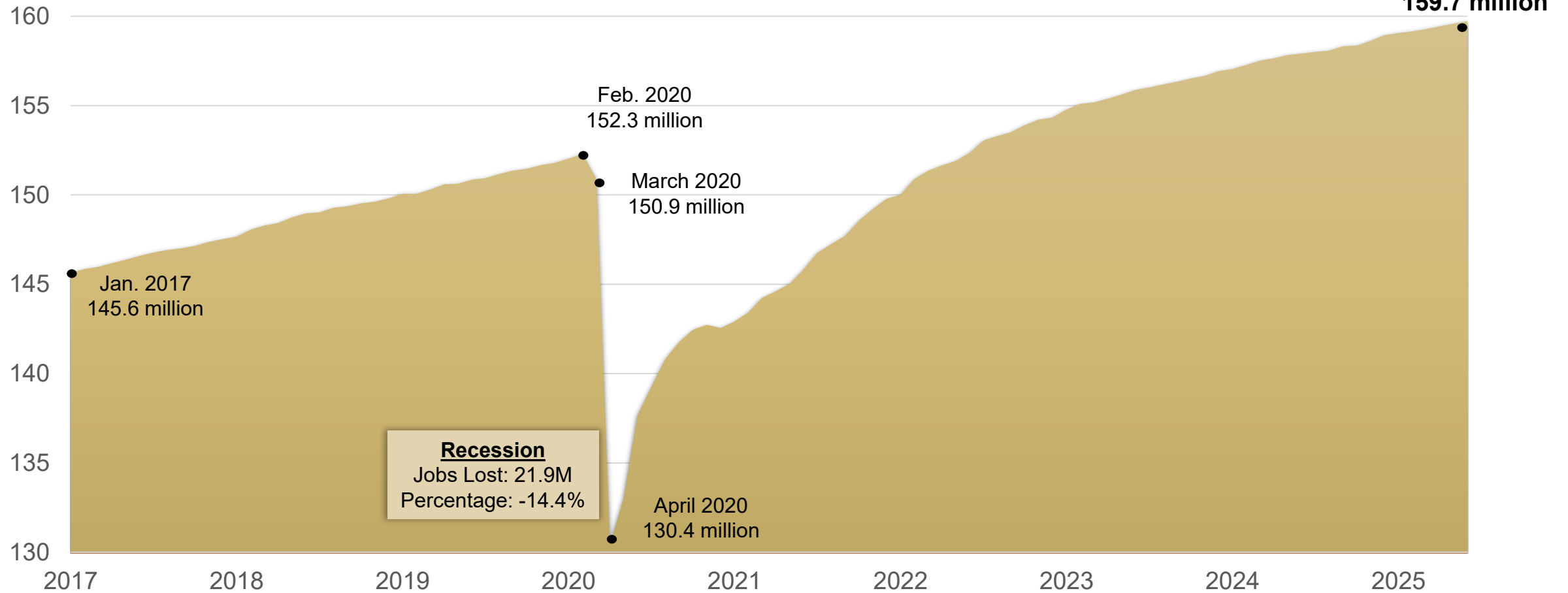
# Employment



# U.S. Nonfarm Employment

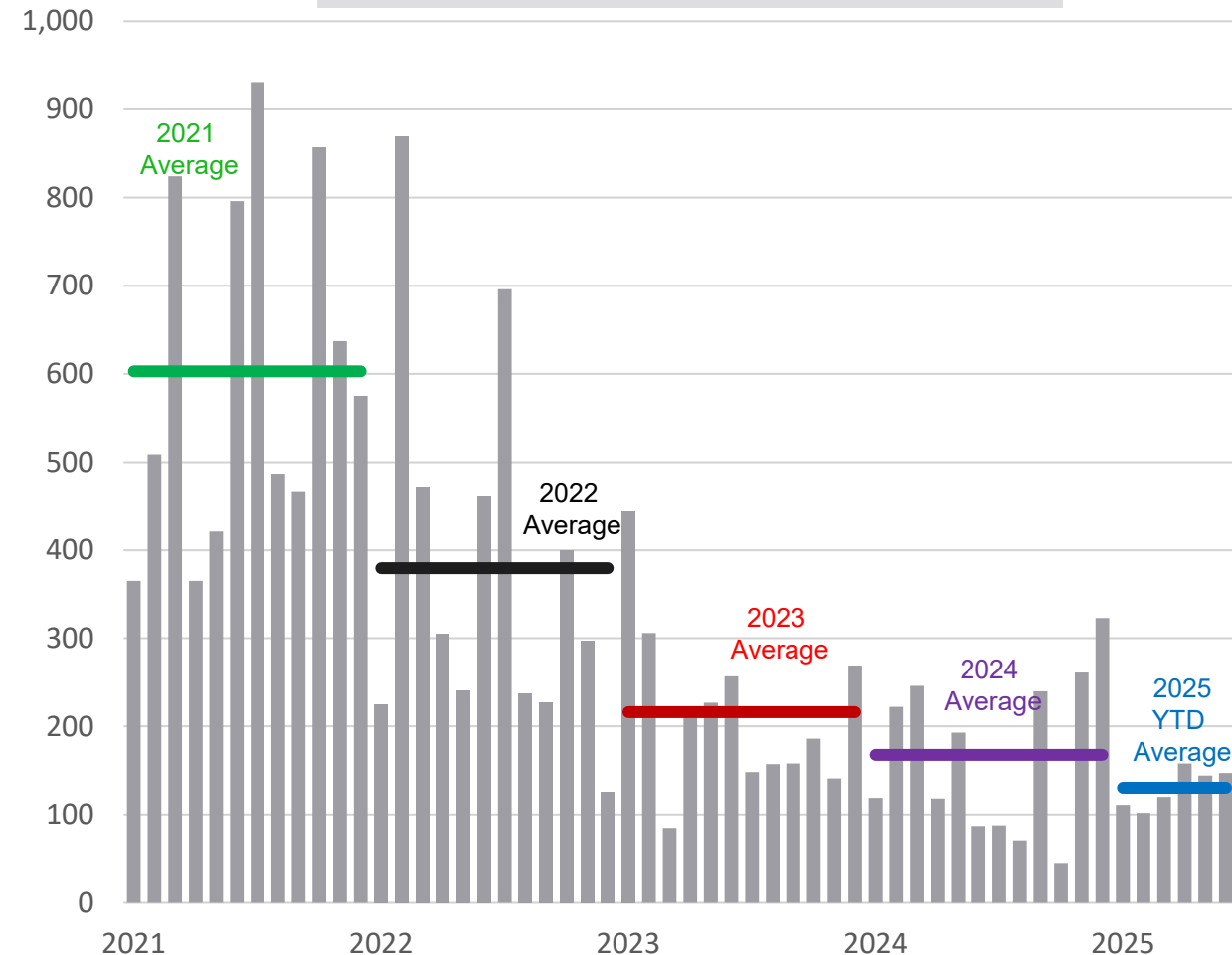
+1.1% YoY  
+1.8M YoY  
+147k MoM

U.S. Nonfarm Employment, Monthly, Millions of Jobs

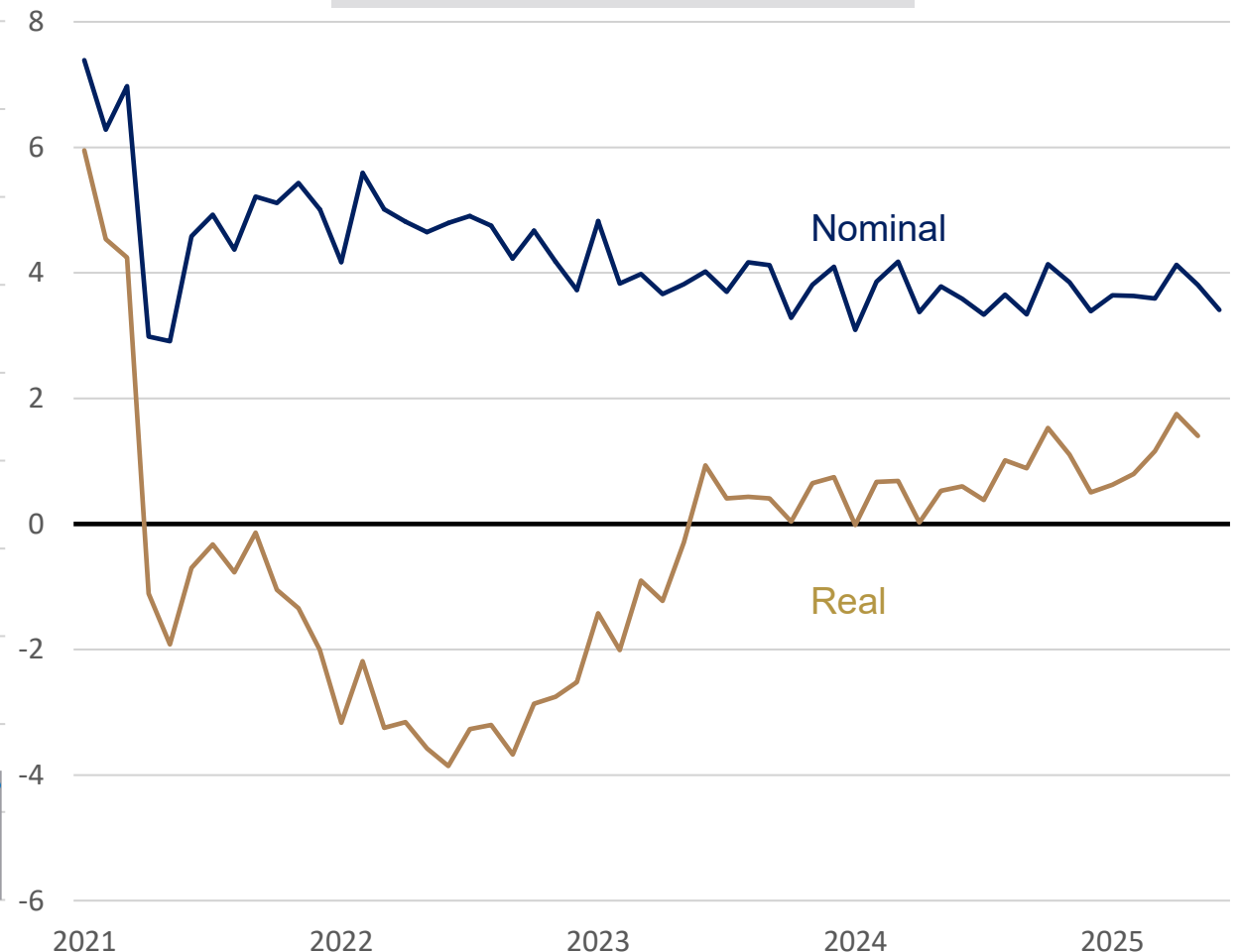


# U.S. Nonfarm Employment Growth

Thousands of Jobs Added Per Month

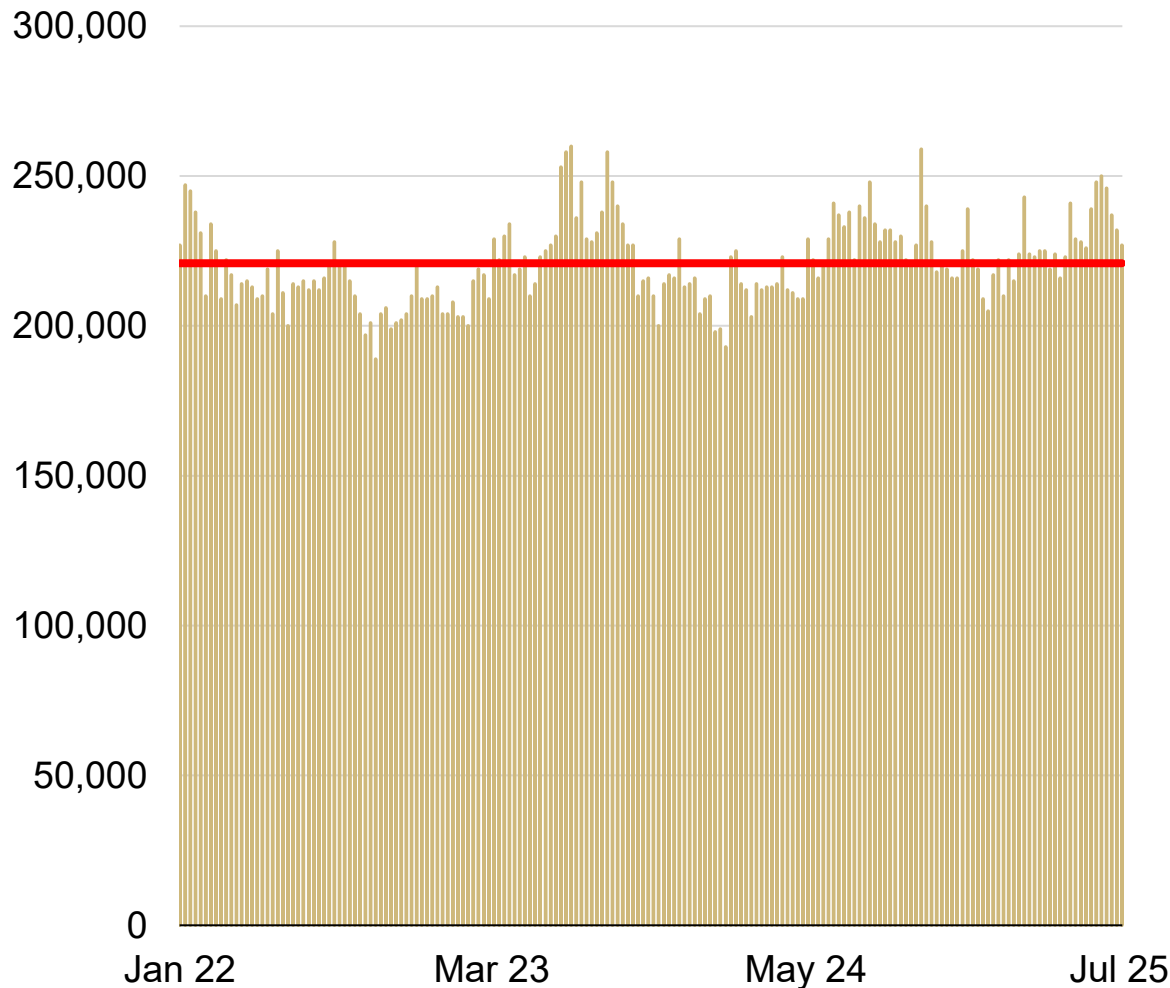


Private-Sector Wage Growth

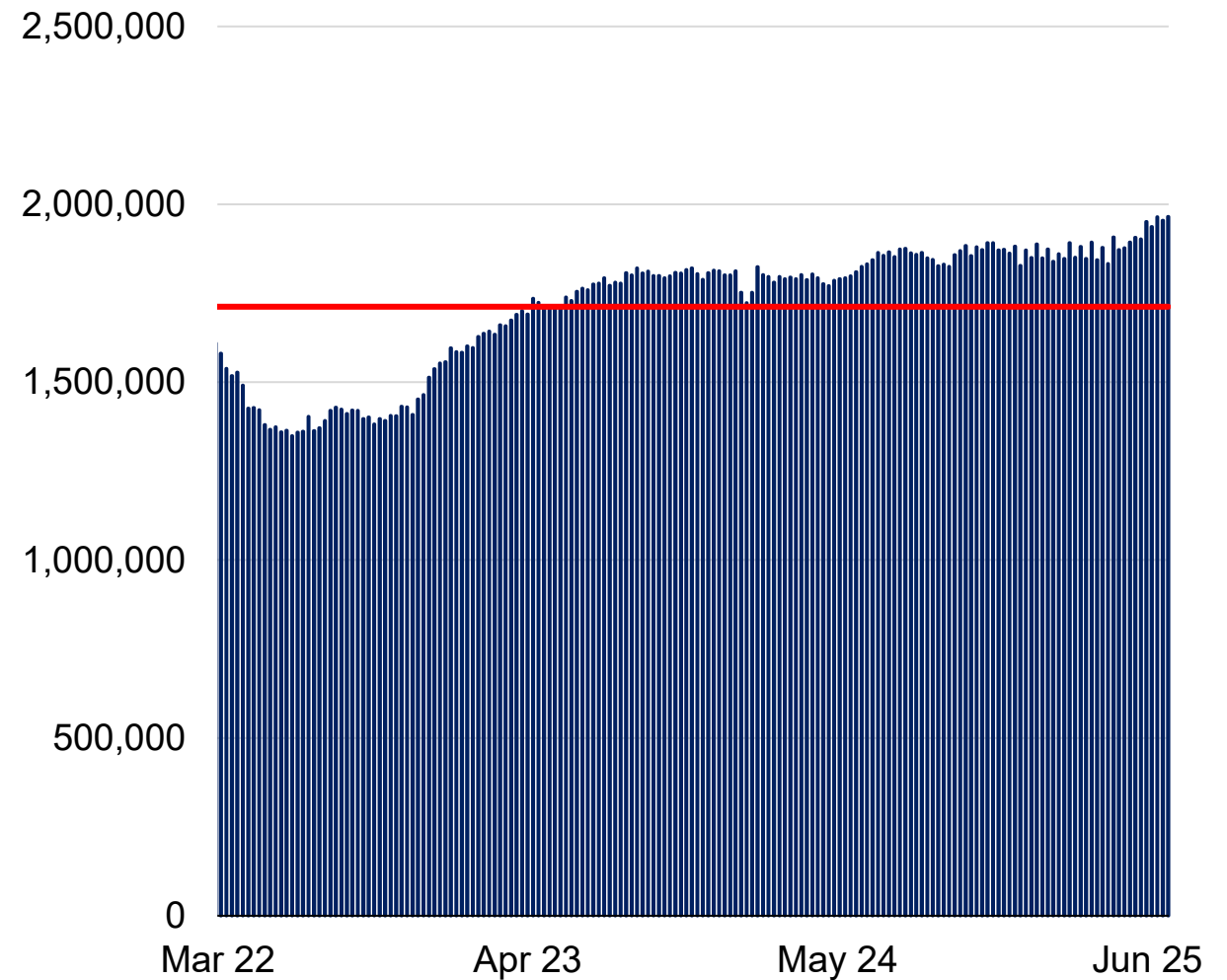


# Jobless Claims

Initial Jobless Claims, Weekly

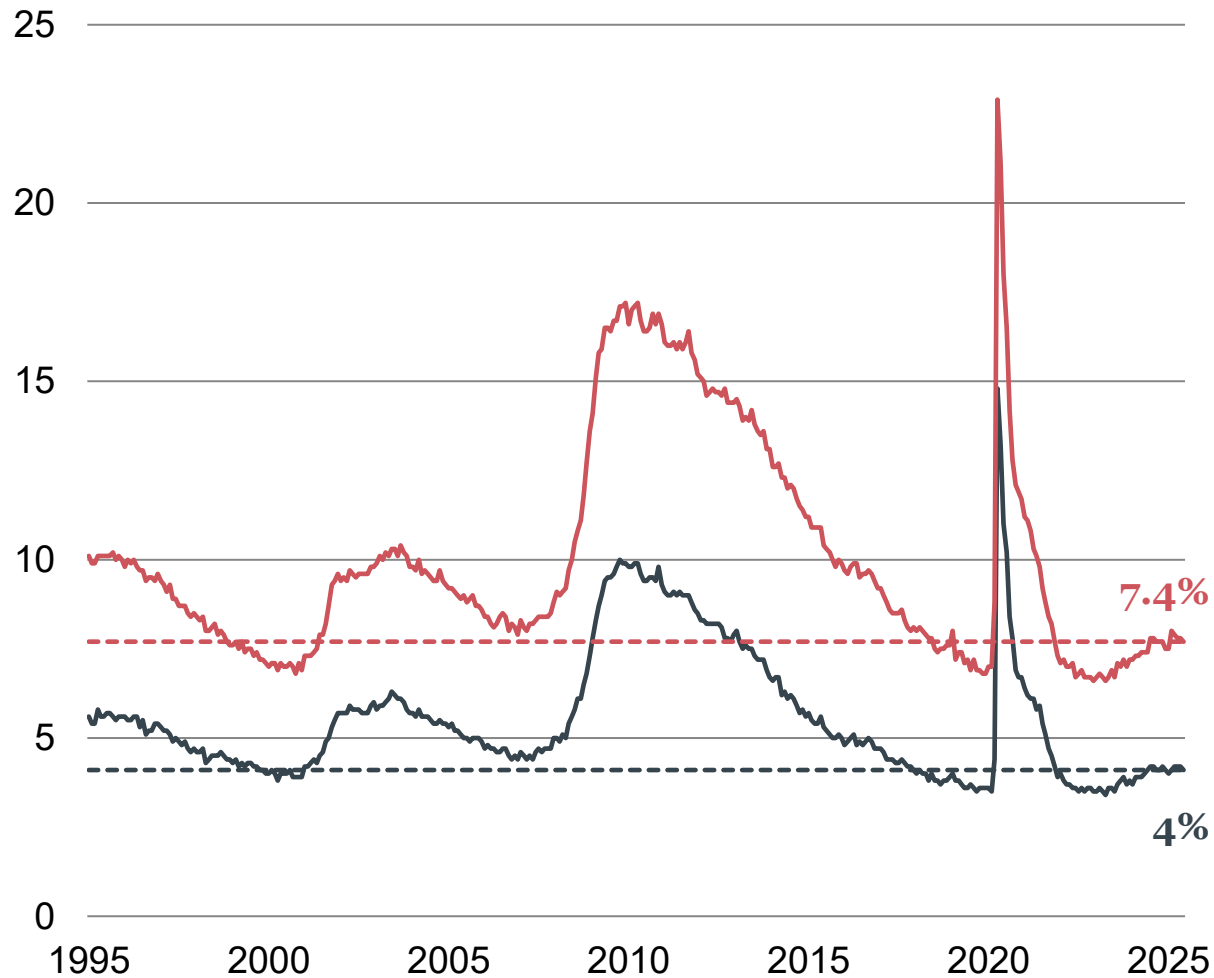


Continued Jobless Claims, Weekly

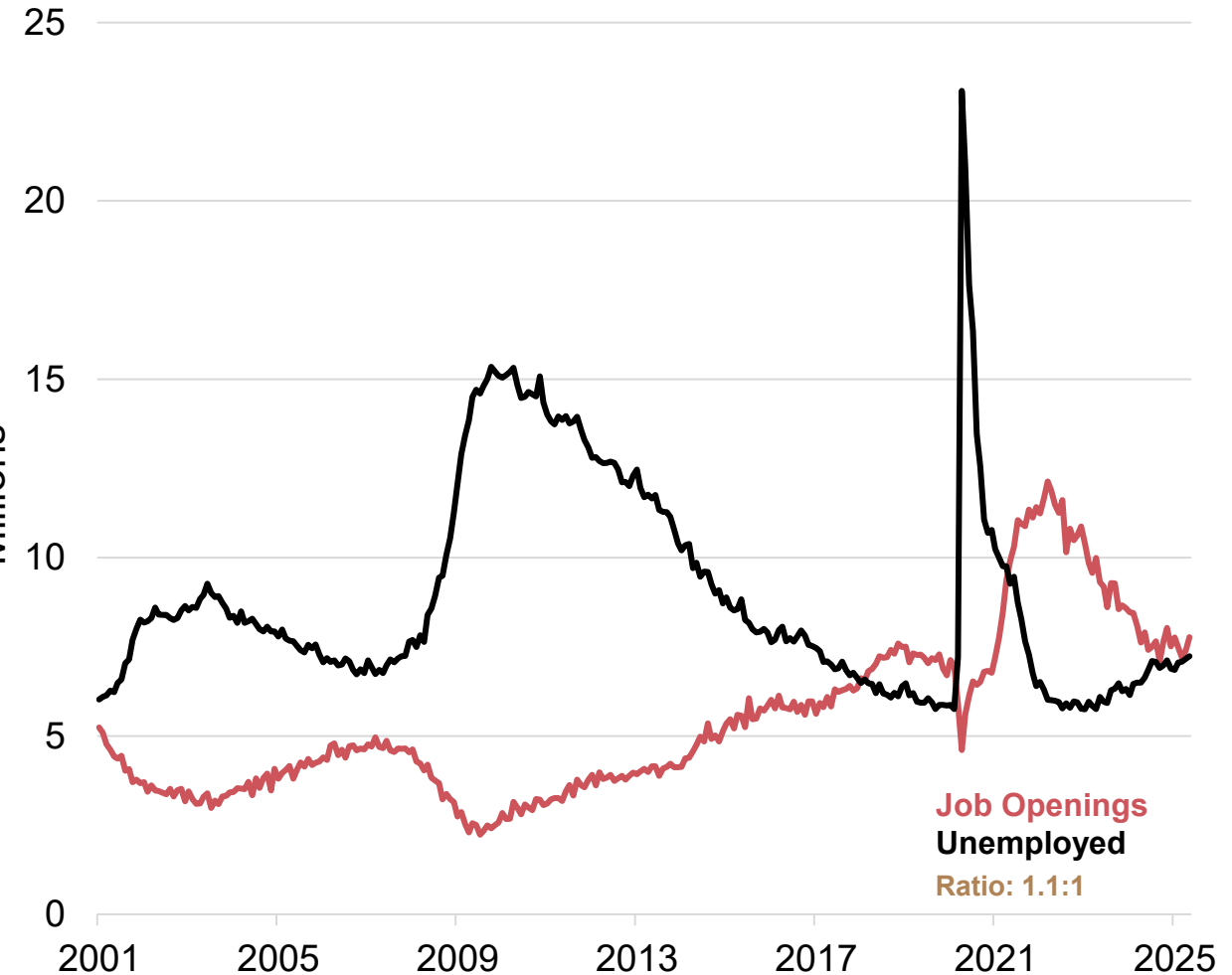


# Labor Market

Labor Utilization



Labor Shortage



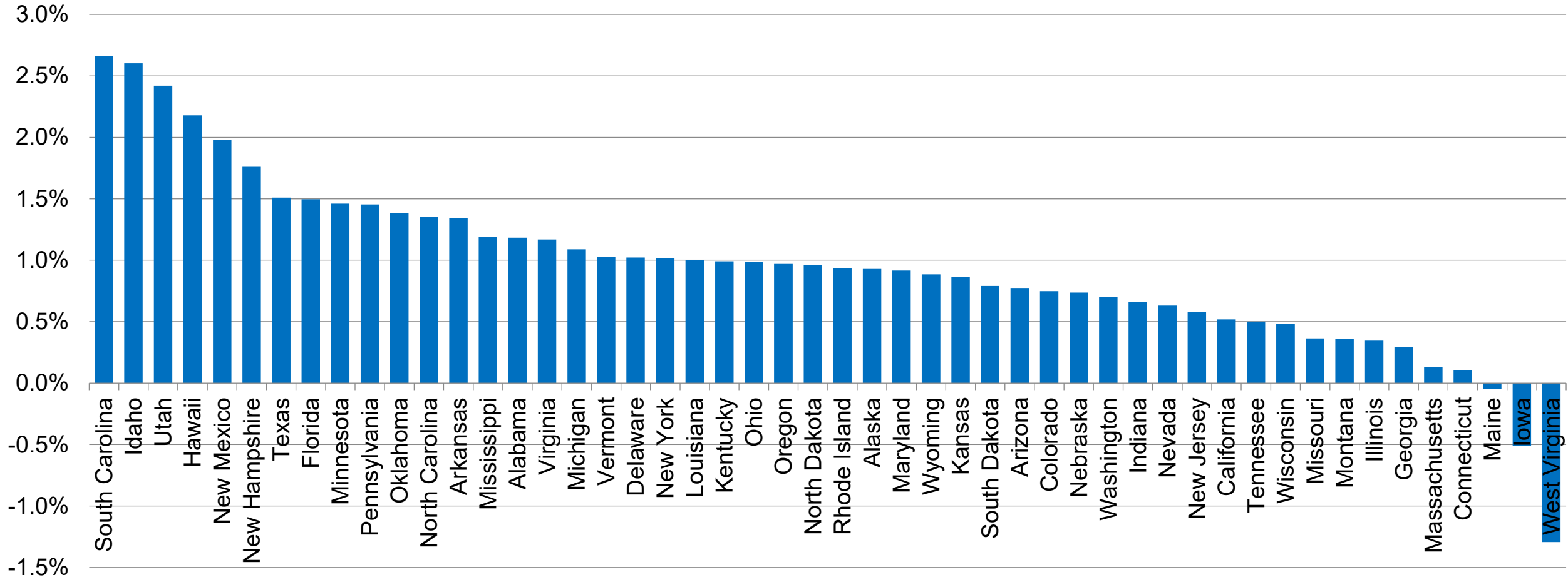
# Worker Shortage

	Job Openings Rate			Unemployment Rate			Openings Unemployed		
	May 2024	May 2025		June 2024	June 2025		May 2025	June 2025	Deficit
Mining and logging	3.7	3.0	▼	1.3	1.9	▲	19	10	-9
Construction	4.4	2.9	▼	3.3	3.4	▲	245	364	119
Manufacturing	4.3	3.1	▼	3.1	3.6	▲	414	544	130
Wholesale trade	2.7	2.8	▲	3.6	3.1	▼	176	94	-82
Retail trade	3	3	▷	5.3	5.3	▷	490	907	417
Transportation, warehousing, and utilities	4.4	4.3	▼	4.5	3.9	▼	332	328	-4
Information	4.2	5.1	▲	5.9	4.0	▼	159	103	-56
Finance and insurance	4.8	5.2	▲	2.5	2.1	▼	374	166	-208
Real estate and rental and leasing	4.2	3.9	▼	3.1	2.9	▼	102	79	-23
Professional and business services	5.4	5.7	▲	3.7	3.6	▼	1,358	724	-634
Private educational services	4.5	3.7	▼	5.3	4.4	▼	157	242	85
Health care and social assistance	6.9	6.5	▼	2.6	3.1	▲	1,607	682	-925
Arts, entertainment, and recreation	5	5.3	▲	3.4	7.9	▲	151	241	90
Accommodation and food services	4.9	6.8	▲	5.7	5.9	▲	1,041	655	-386
Other services	4.5	4.9	▲	3.9	3.2	▼	310	228	-82
Government	4.3	3.4	▼	2.9	3.2	▲	834	691	-143
Total	4.8	4.6	▼	4.3	4.4	▲	7,769	7,460	-309

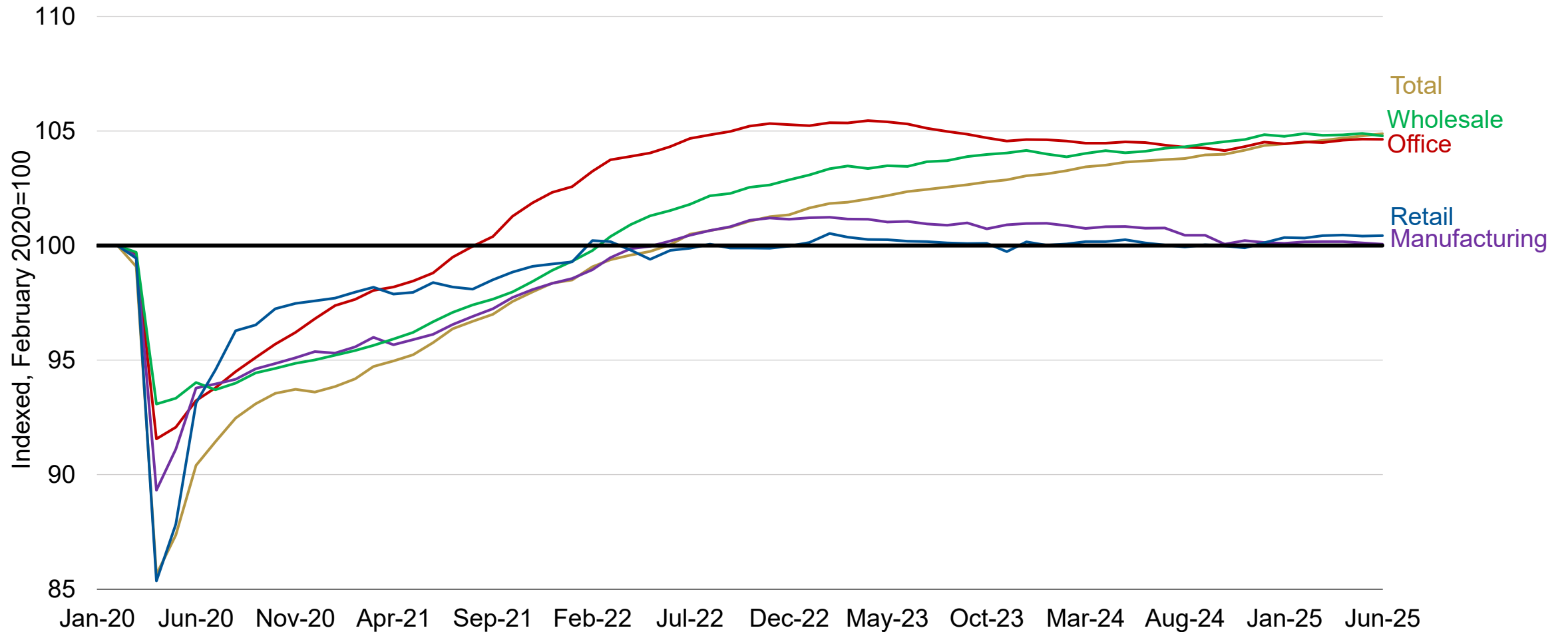


# State Employment Growth

Year-over-Year Growth, May 2025



# National Industry Employment Recovery

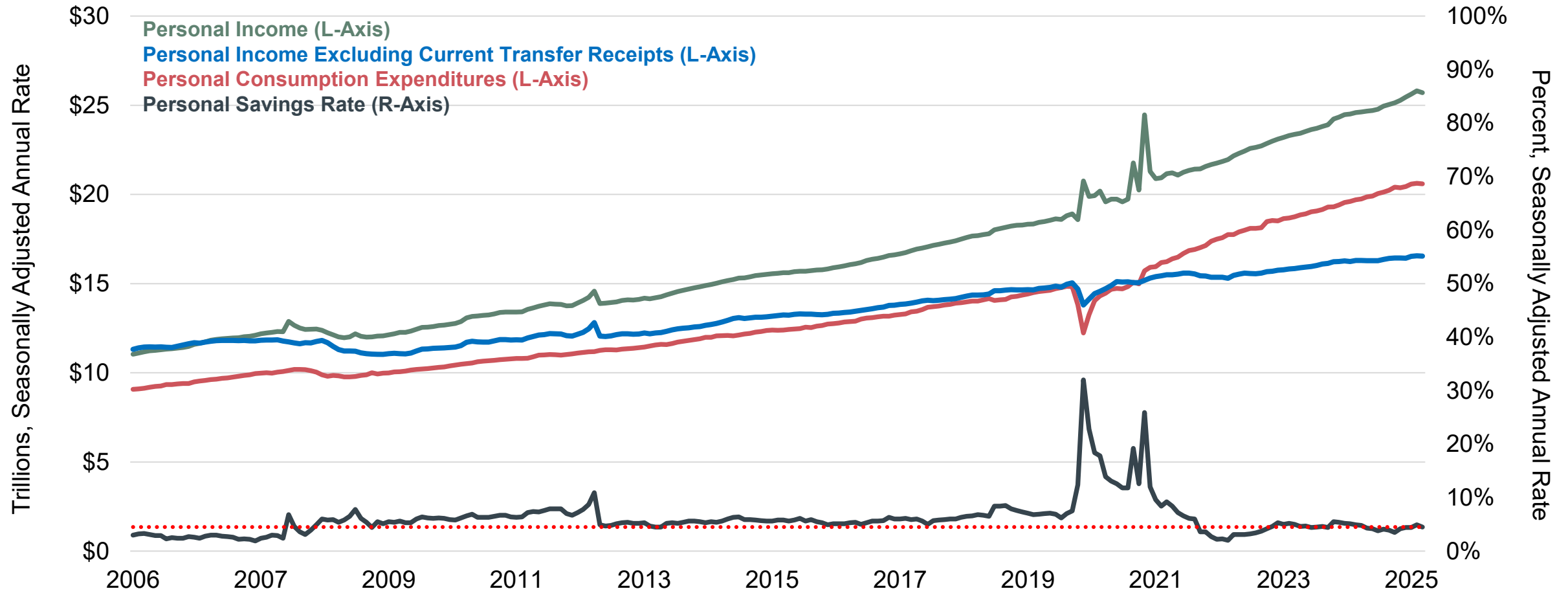


A close-up photograph of a person's hands counting US dollar bills. The person is wearing a dark blue t-shirt. The left hand holds a thick stack of bills, while the right hand holds a smaller stack, with a one-dollar bill clearly visible. The background is blurred, showing a wooden surface and a white bowl.

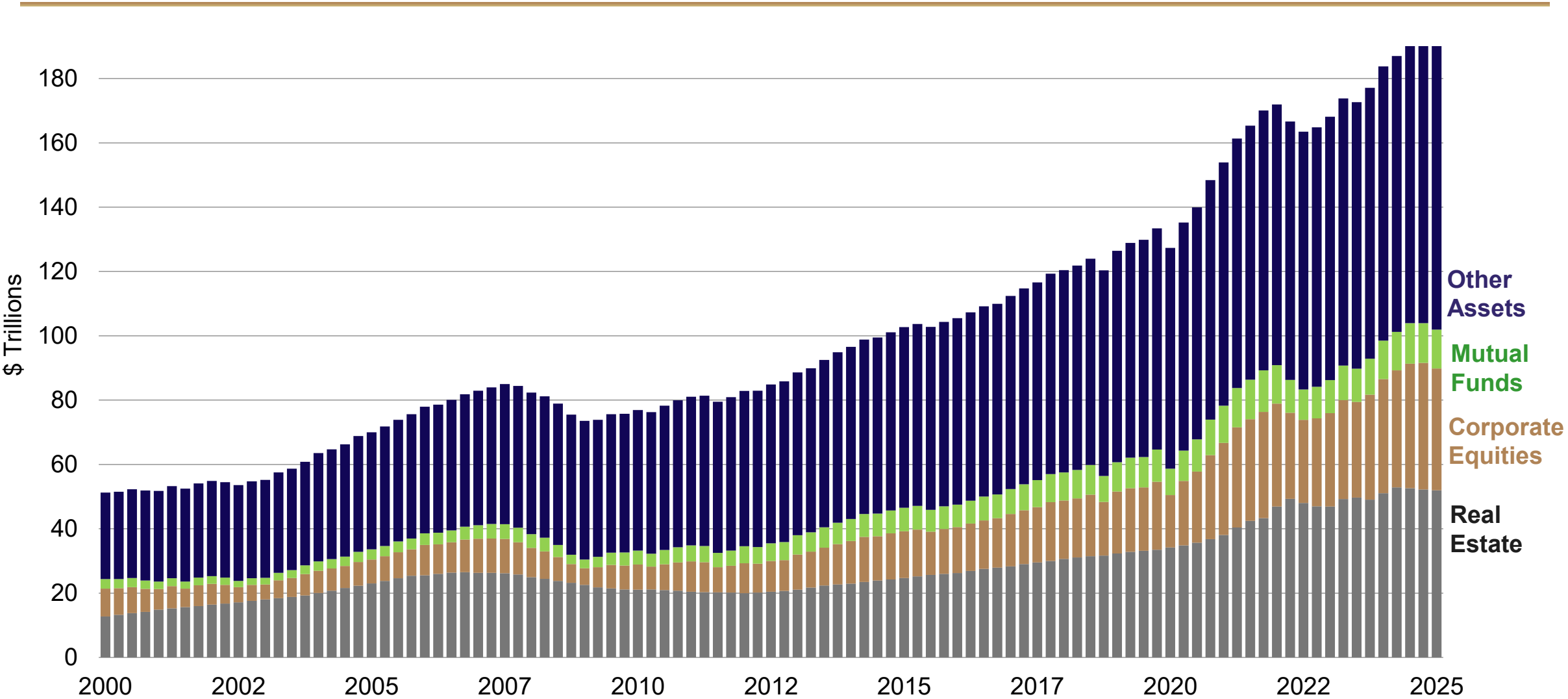
# Income, Prices, and Confidence

# Personal Income and Savings

Trillions, Seasonally Adjusted Annual Rate

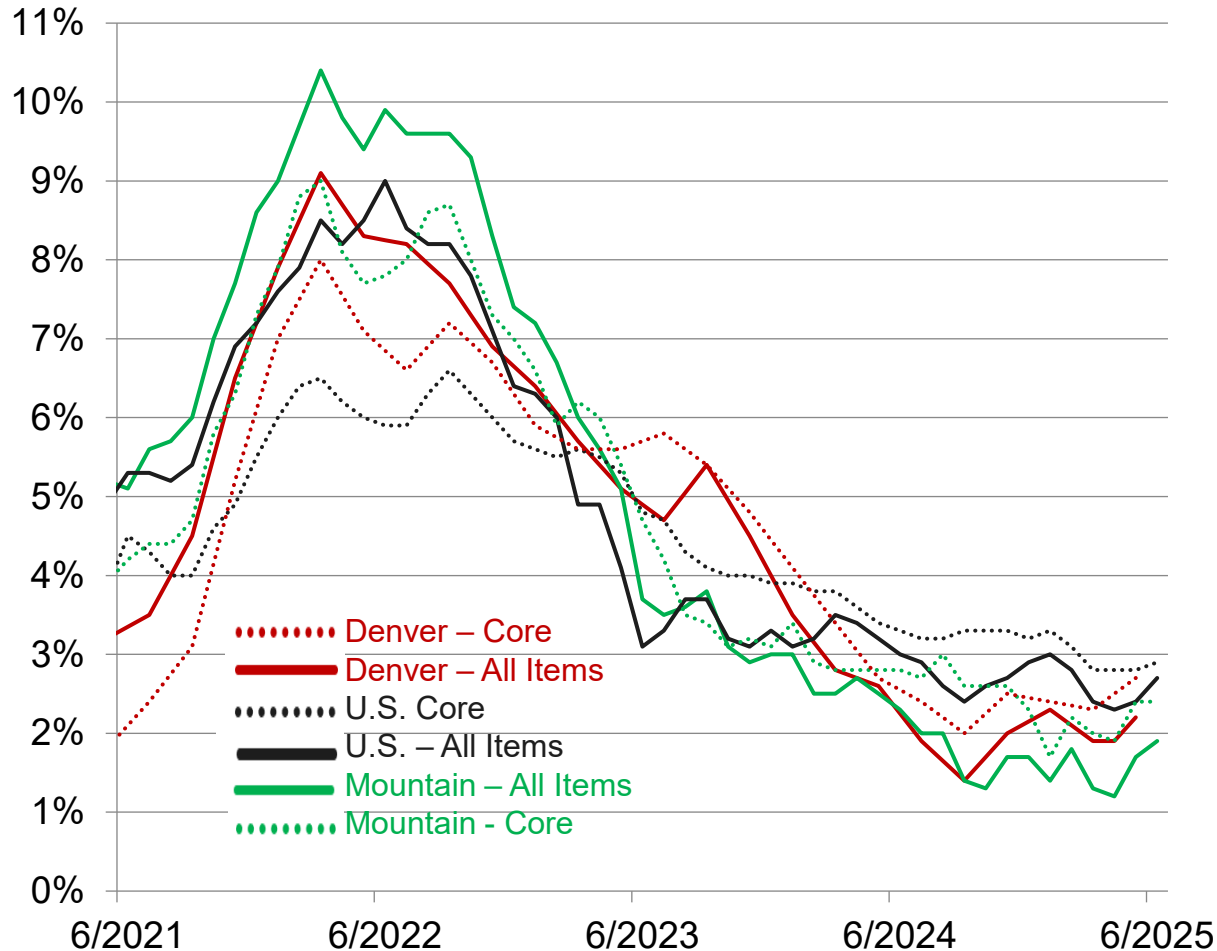


# Household Wealth



# Inflation

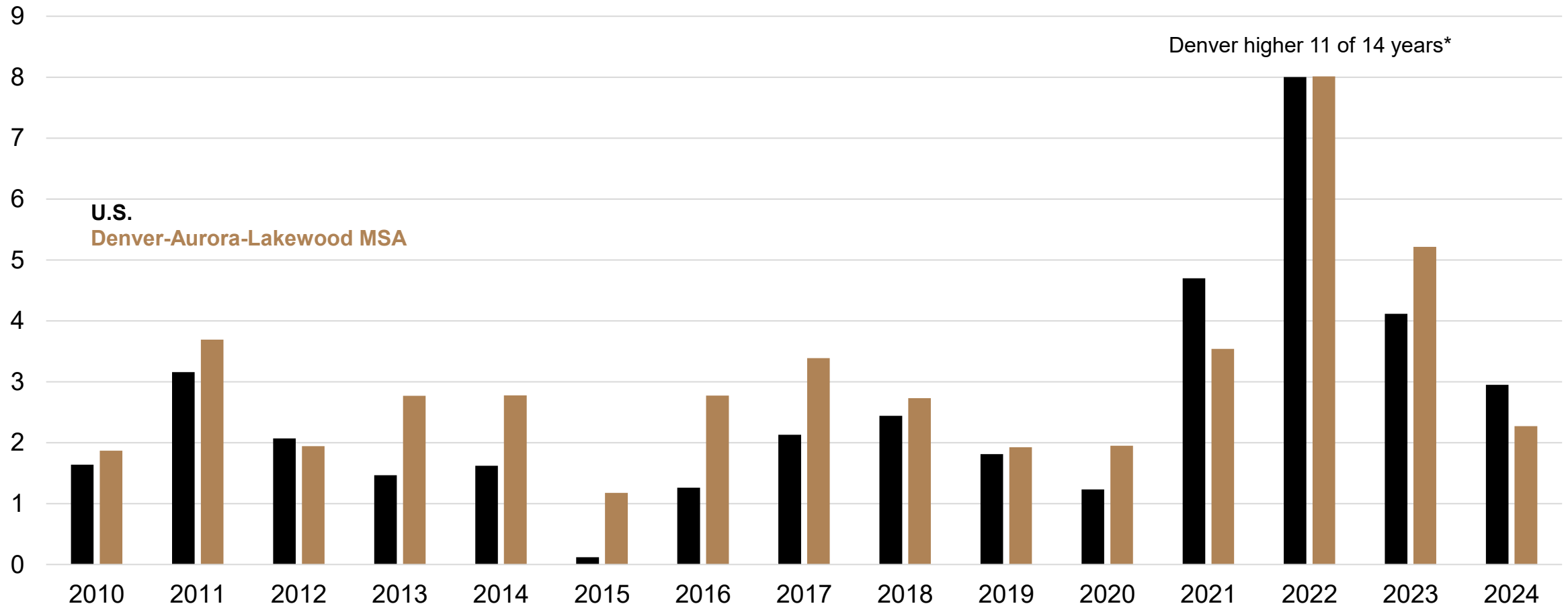
Consumer Price Index, Percent Change Year-Over-Year



Items	U.S. City Average	Mountain	Denver-Aurora-Lakewood	Item Weights
<b>All items</b>	<b>2.7%</b>	<b>1.9%</b>	<b>2.2%</b>	<b>100.0%</b>
Food and beverages	2.9%	2.6%	3.0%	14.5%
Housing	4.0%	2.0%	1.9%	44.2%
Apparel	-0.5%	-0.6%	0.0%	2.5%
Transportation	-0.1%	-0.9%	0.6%	16.6%
Medical care	2.8%	5.2%	5.6%	8.3%
Recreation	2.1%	4.3%	0.8%	5.3%
Education and communication	0.5%	-1.2%	-0.7%	5.7%
Other goods and services	3.7%	6.3%	14.3%	2.9%
All items less food and energy	2.9%	2.4%	2.7%	

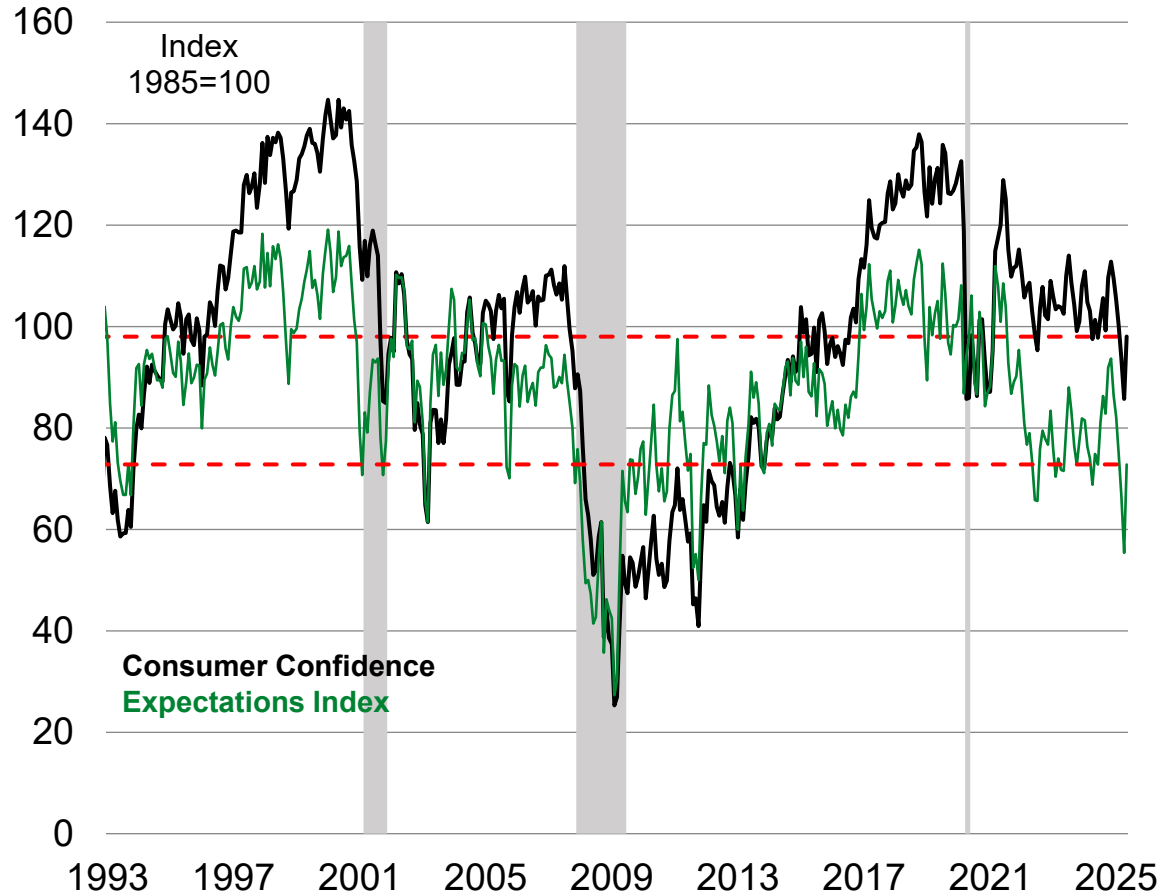
# National v. Local Inflation

Percent Change



# Index of Consumer Confidence

Consumer Confidence



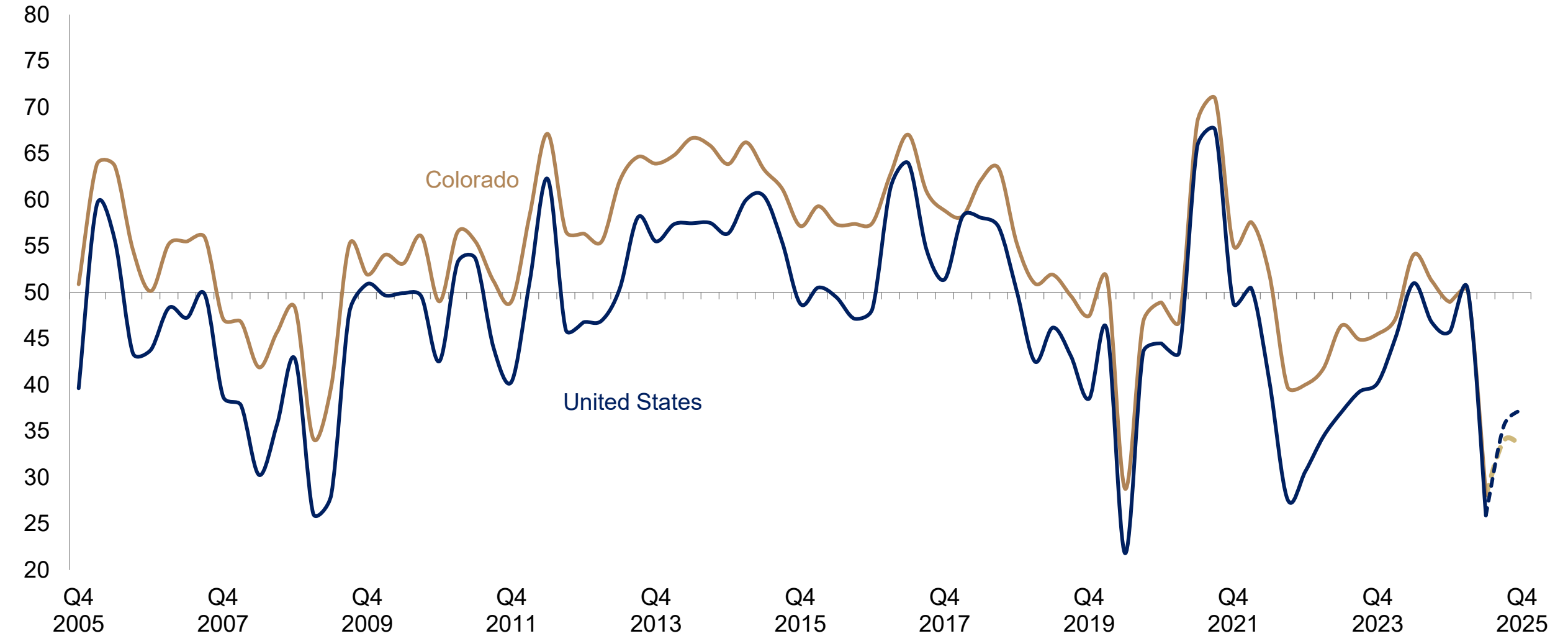
Consumer Sentiment





# State Expectations

Index (50=Neutral)



# Monetary Policy, Interest Rates and Debt

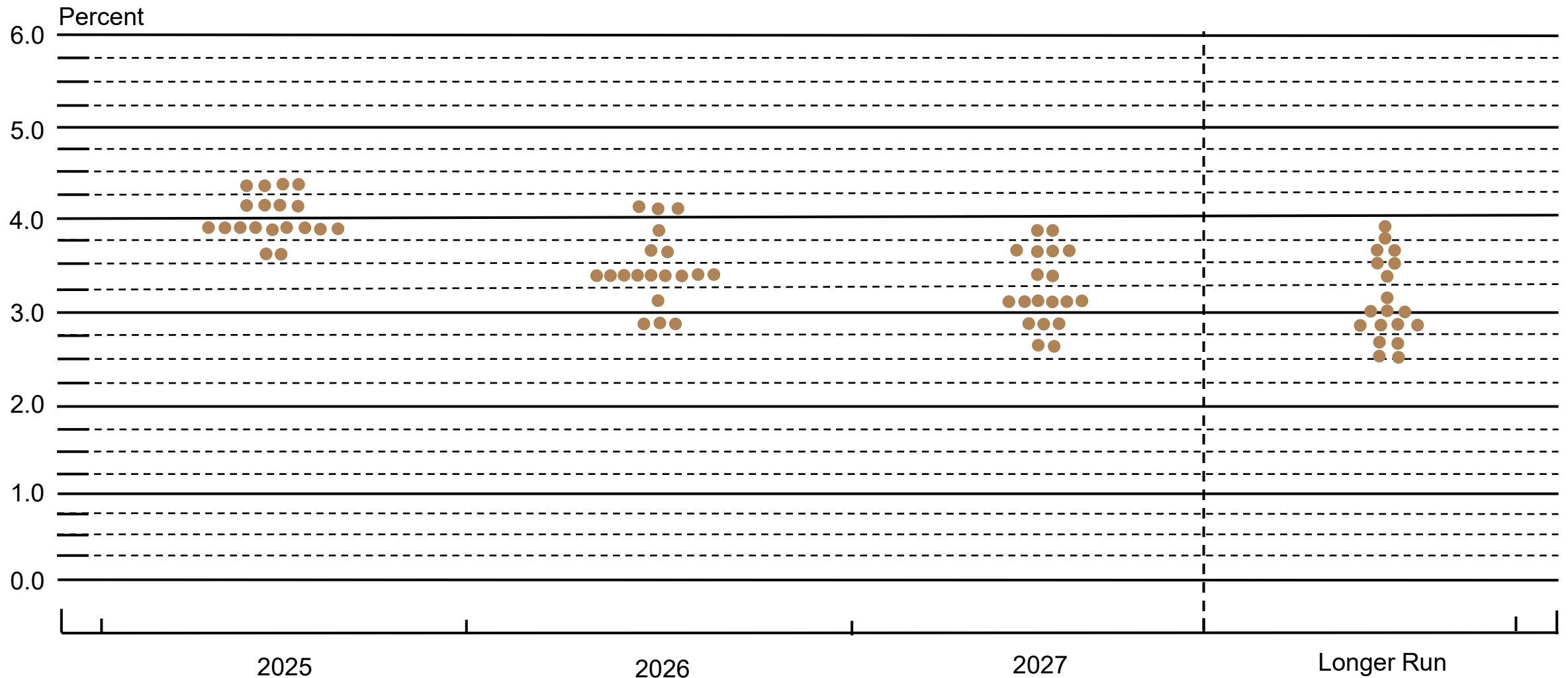


Photo by Giorgio Trovato on Unsplash.

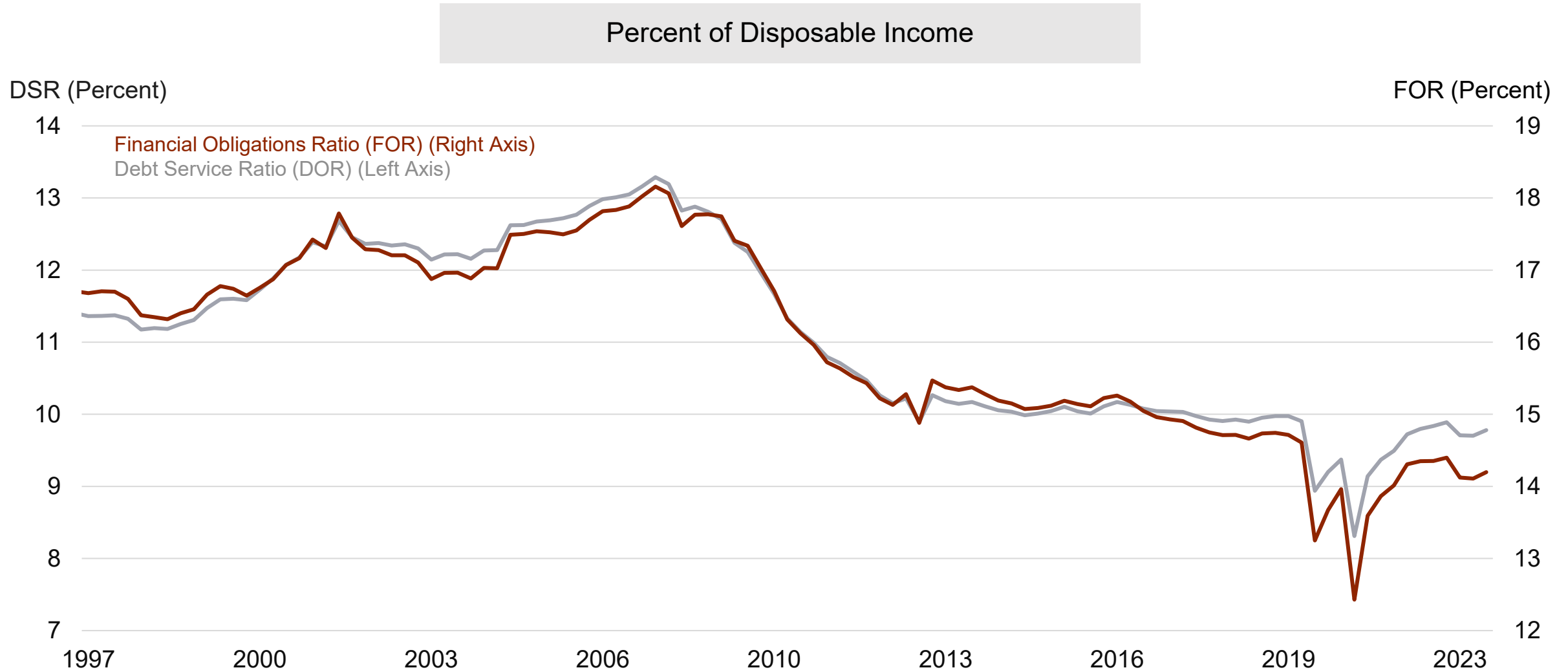
# Interest Rates



# Federal Reserve Dot Plot

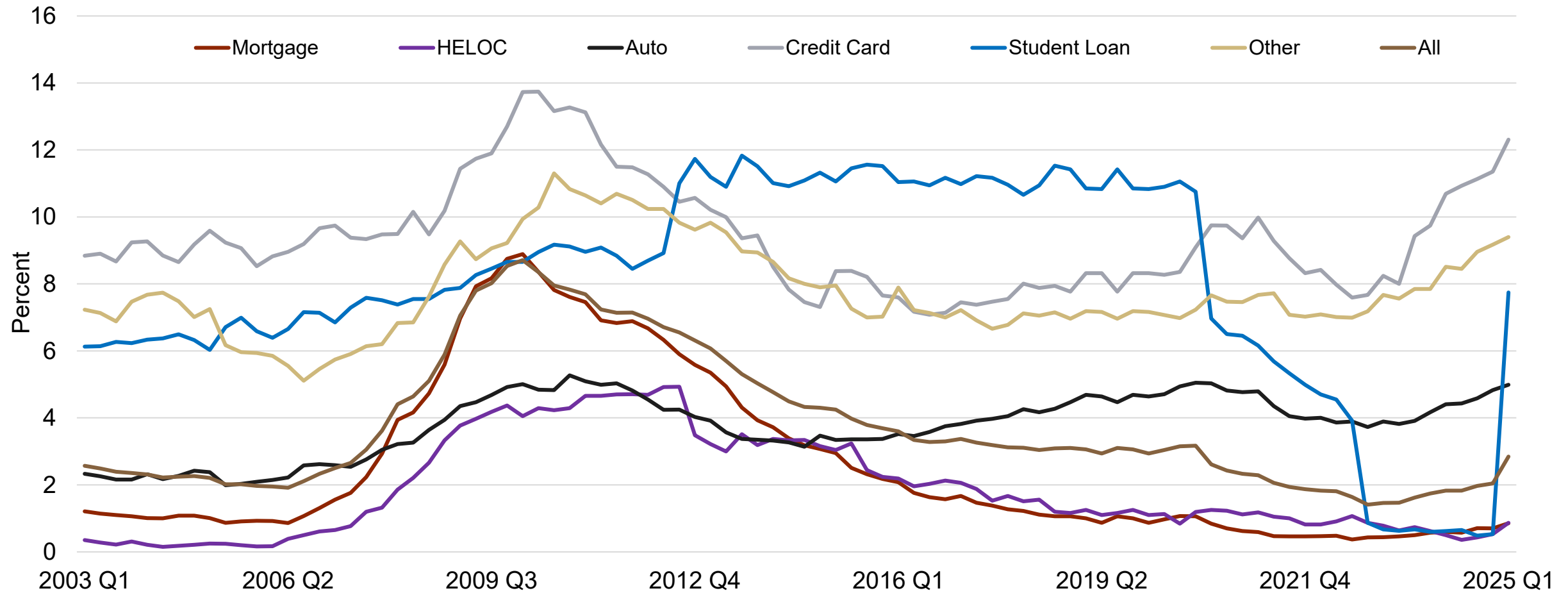


# Household Debt Burden



# Loan Delinquency

Percent of Balance 90+ Days Delinquent by Loan Type







# Colorado Population, Employment, and the Economy

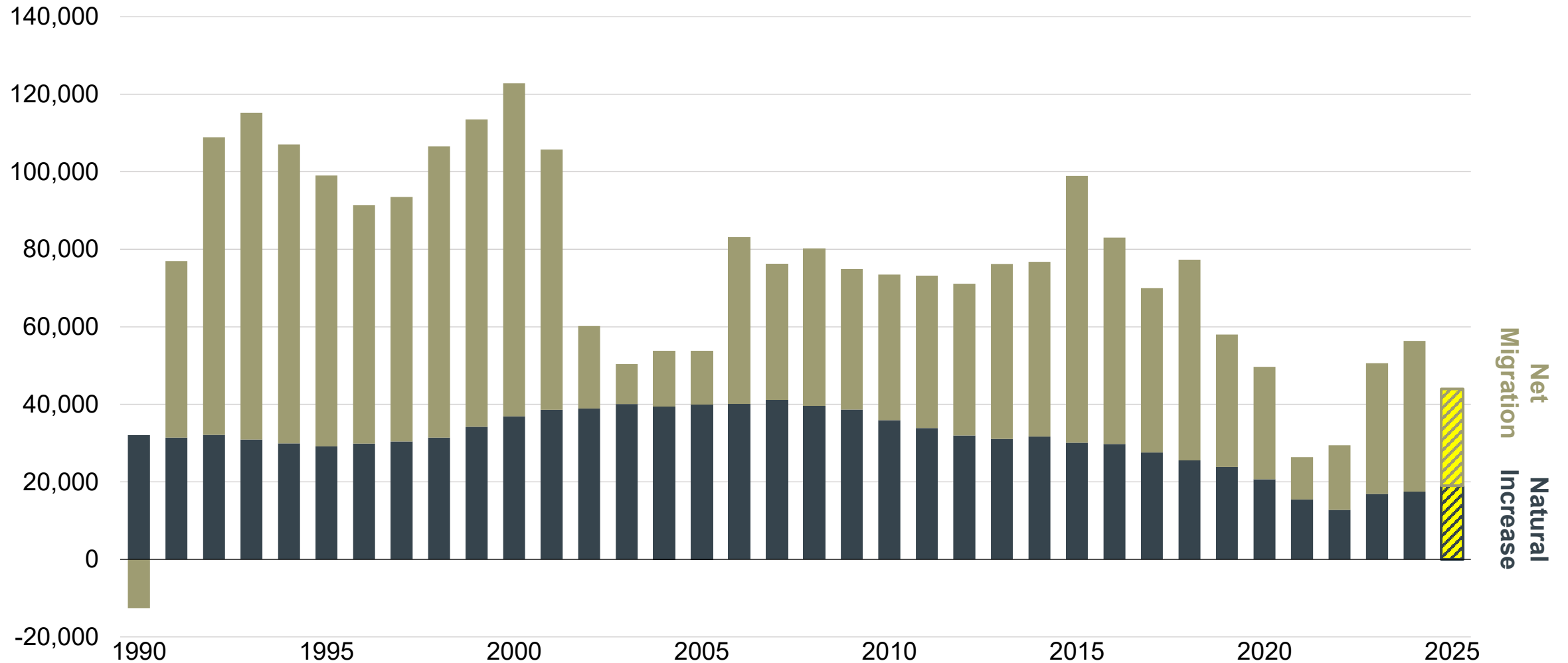
# Colorado Rank Among States

Metric	1-Year Change/ Current Level	1-Year Rank
Real GDP Growth	1-Year Change 2.0%	23
Employment Growth	1-Year Change 0.7%	33
Population Growth	1-Year Change 1.0%	16
Personal Income Growth	1-Year Change 4.3%	30
PCPI Growth	1-Year Change 3.5%	31
PCPI	Current Level \$85,002	8
Average Hourly Wage % Growth	1-Year Change 2.0%	44
Average Annual Pay % Growth	1-Year Change 3.6%	42
Average Annual Pay	Current Level \$79,270	7
Unemployment Rate	Current Level 4.8%	40
Labor Force % Growth	1-Year Change 0.6%	31
LFPR	Current Level 67.7%	6
FHFA Home Price Index Growth	1-Quarter Change 0.3%	37
FHFA Home Price Index Growth	1-Year Change 2.3%	48
Job Openings Rate	Current Level 4.7%	23
Worker Shortage Ratio	Current Level 0.9	42

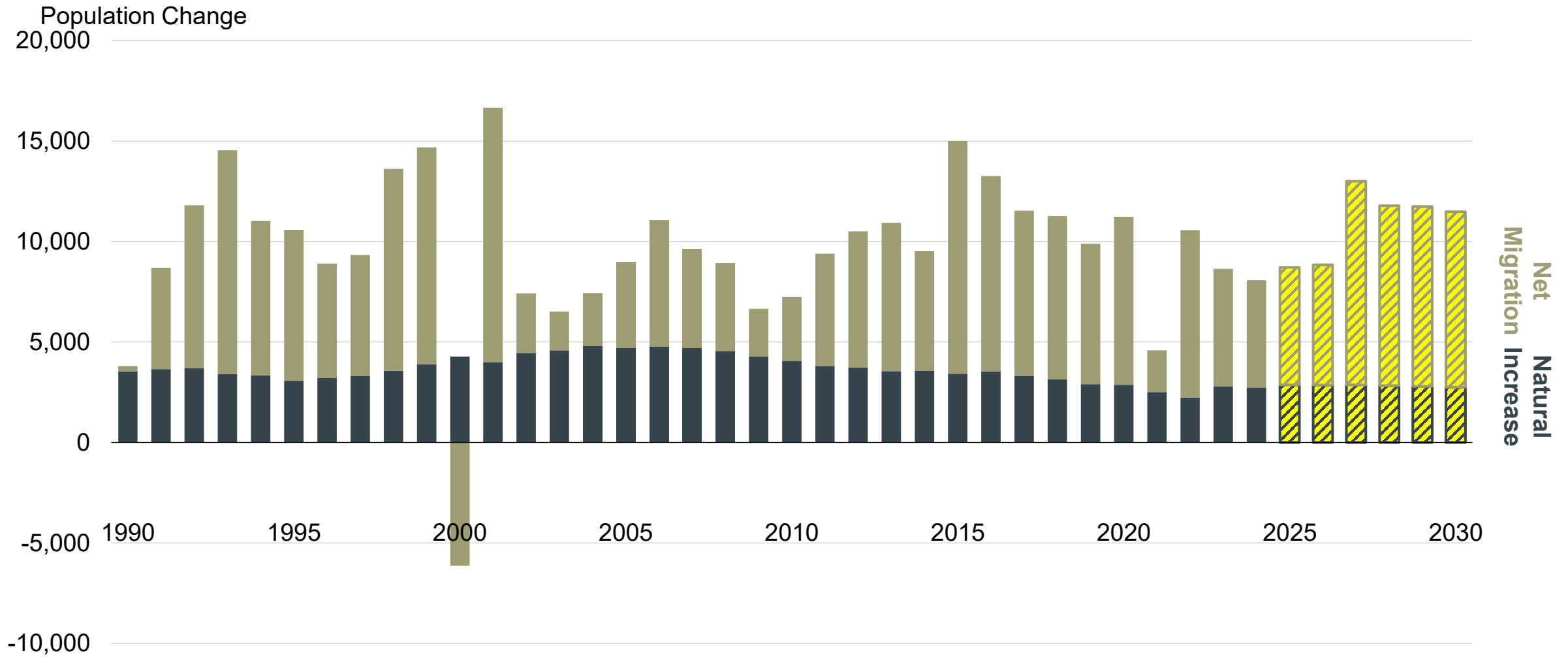


# Colorado Change in Population

## Population Change

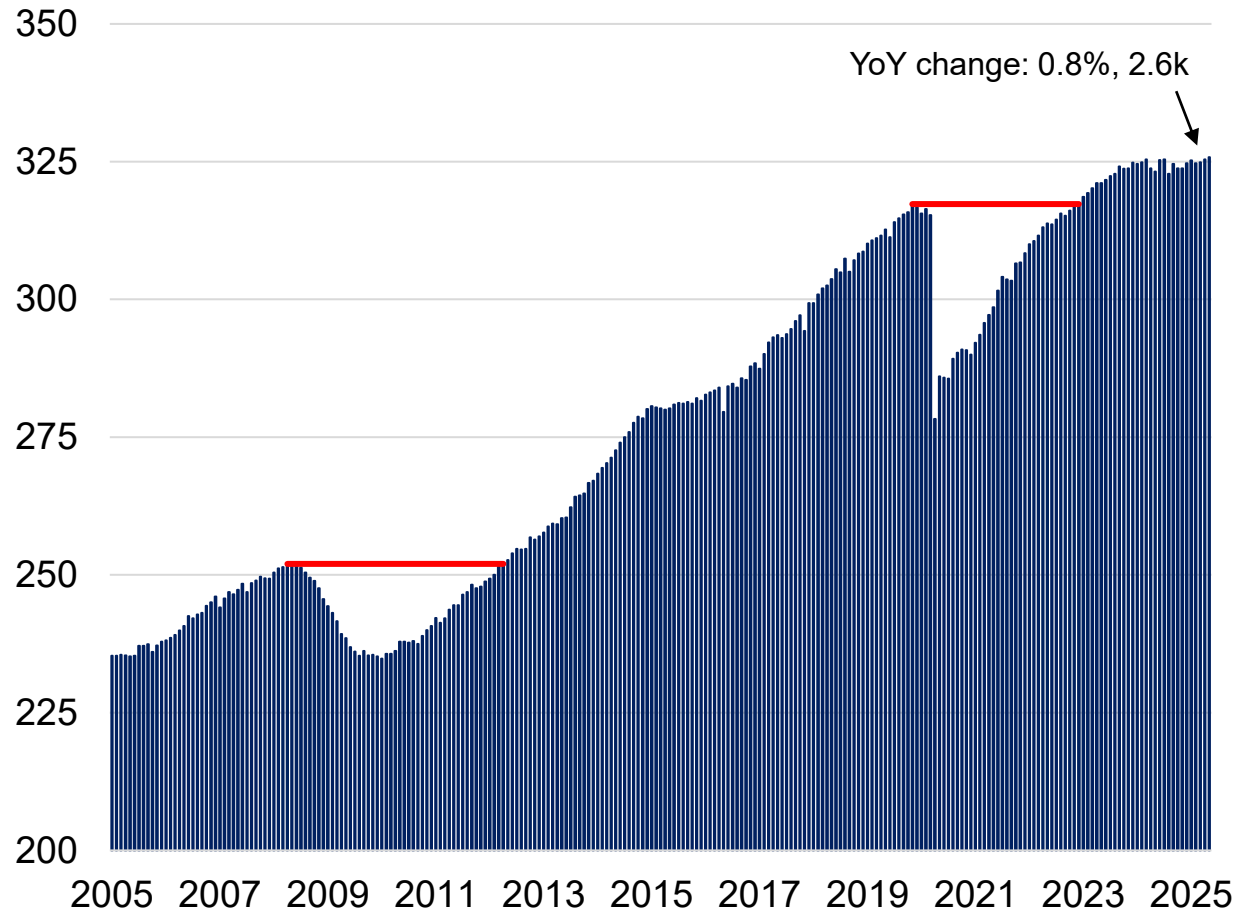


# Boulder/Weld Counties Change in Population

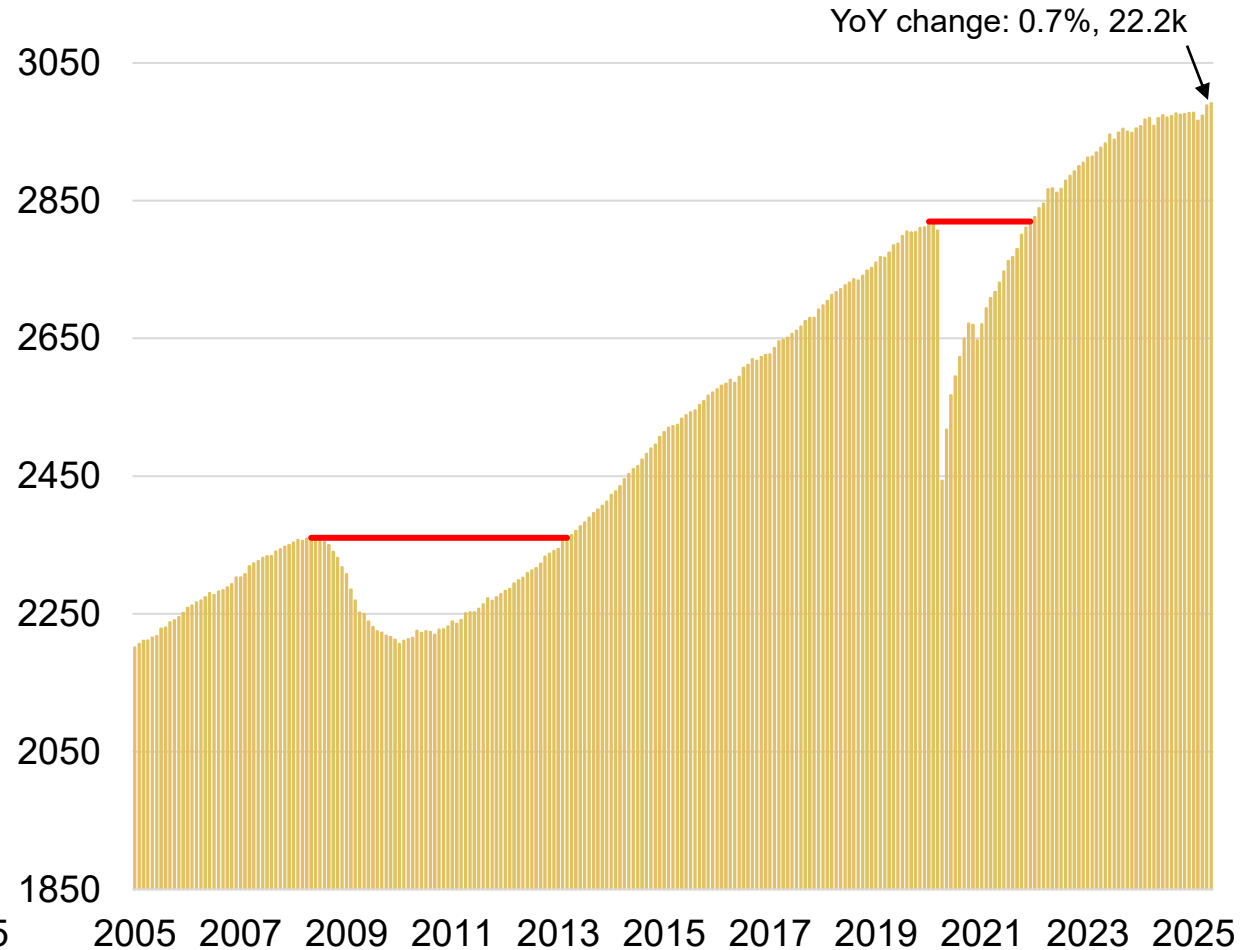


# Employment

Boulder/Greeley MSAs, in thousands

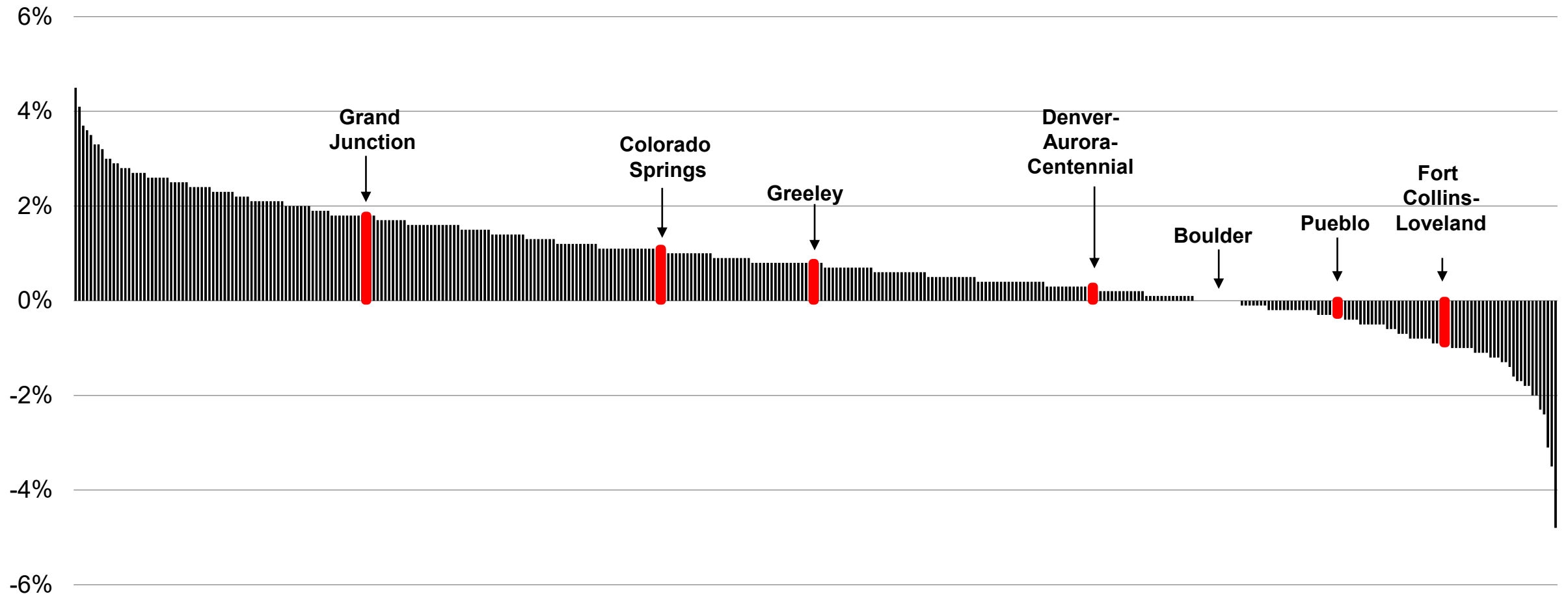


Colorado, in thousands



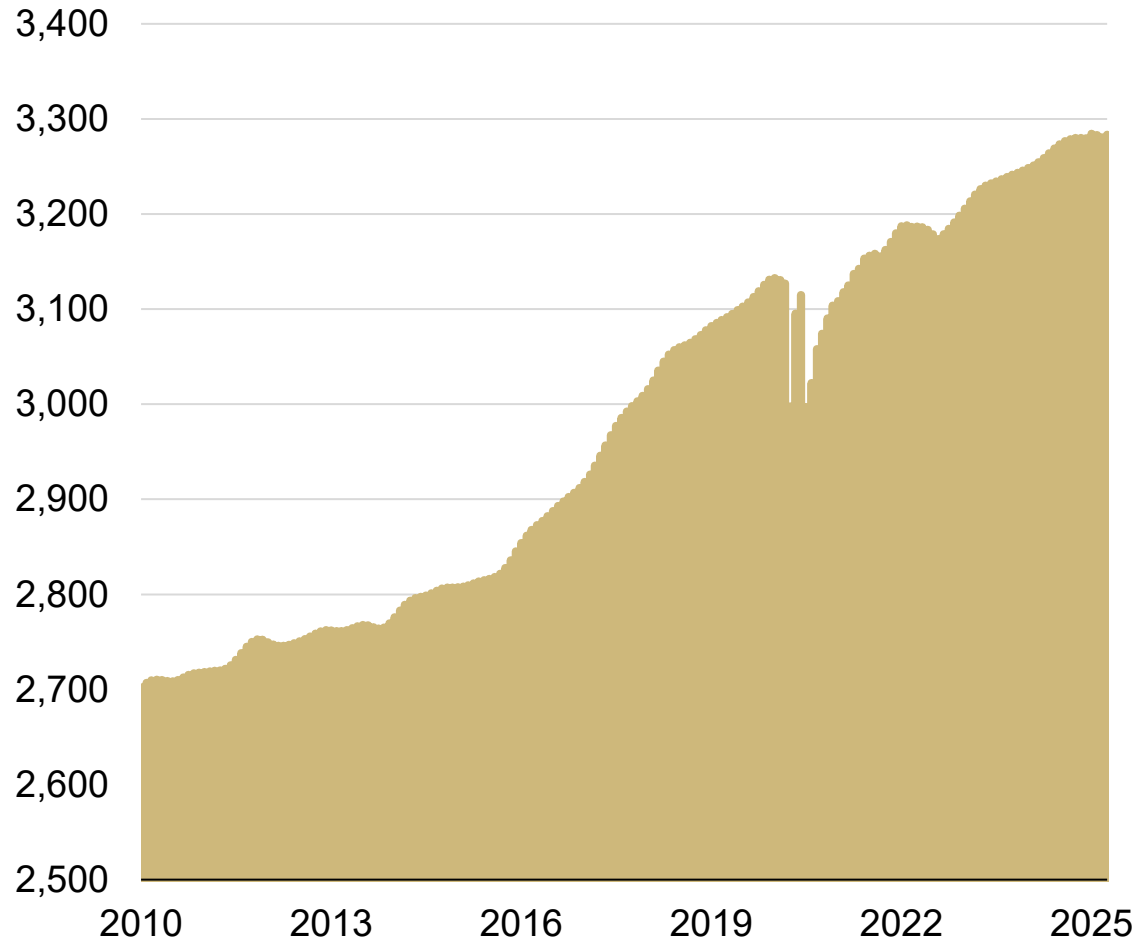
# MSA Employment Growth

Year-over-Year Growth, May 2025

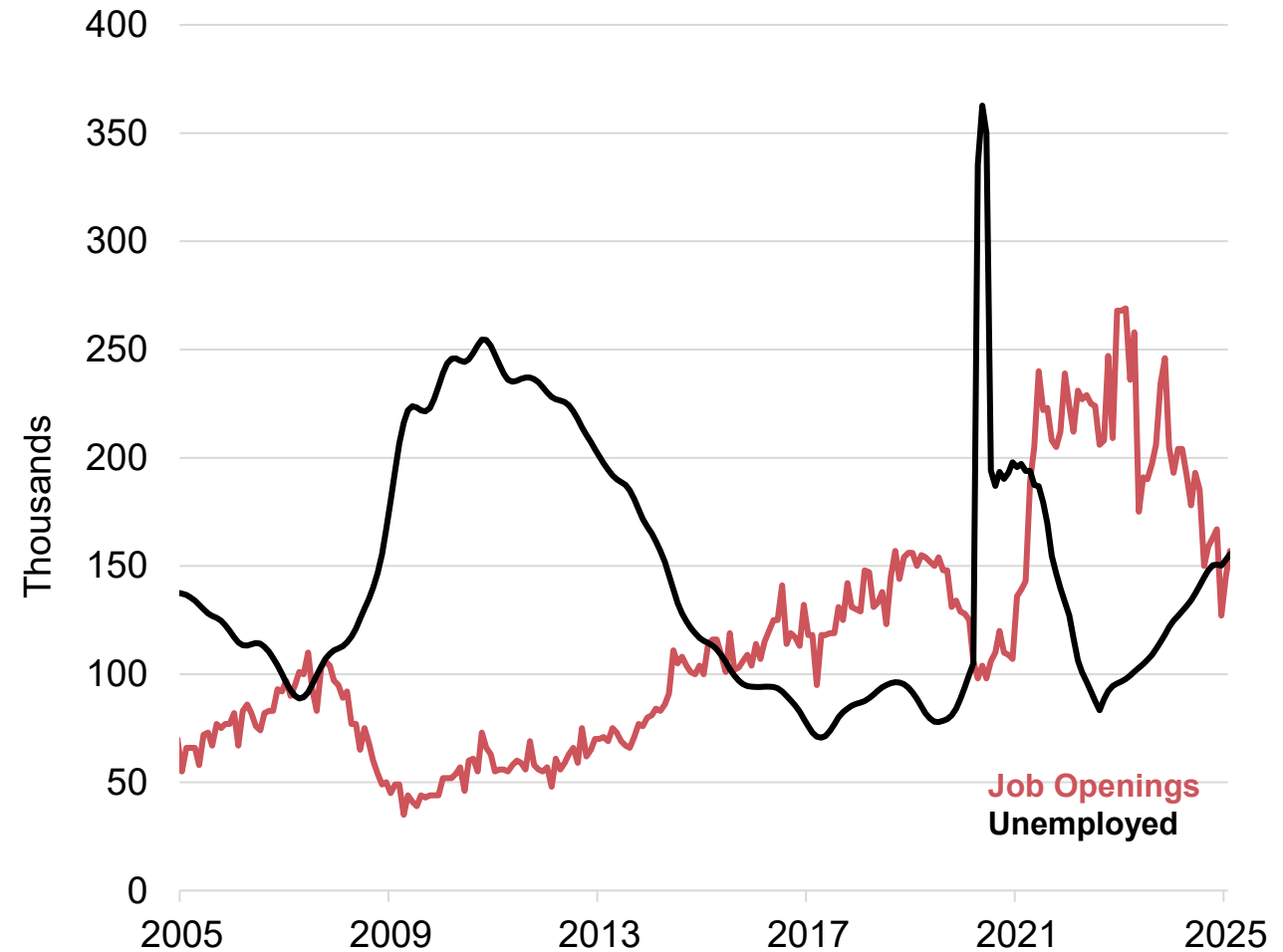


# Colorado Labor Supply and Demand

Labor Force (Thousands)

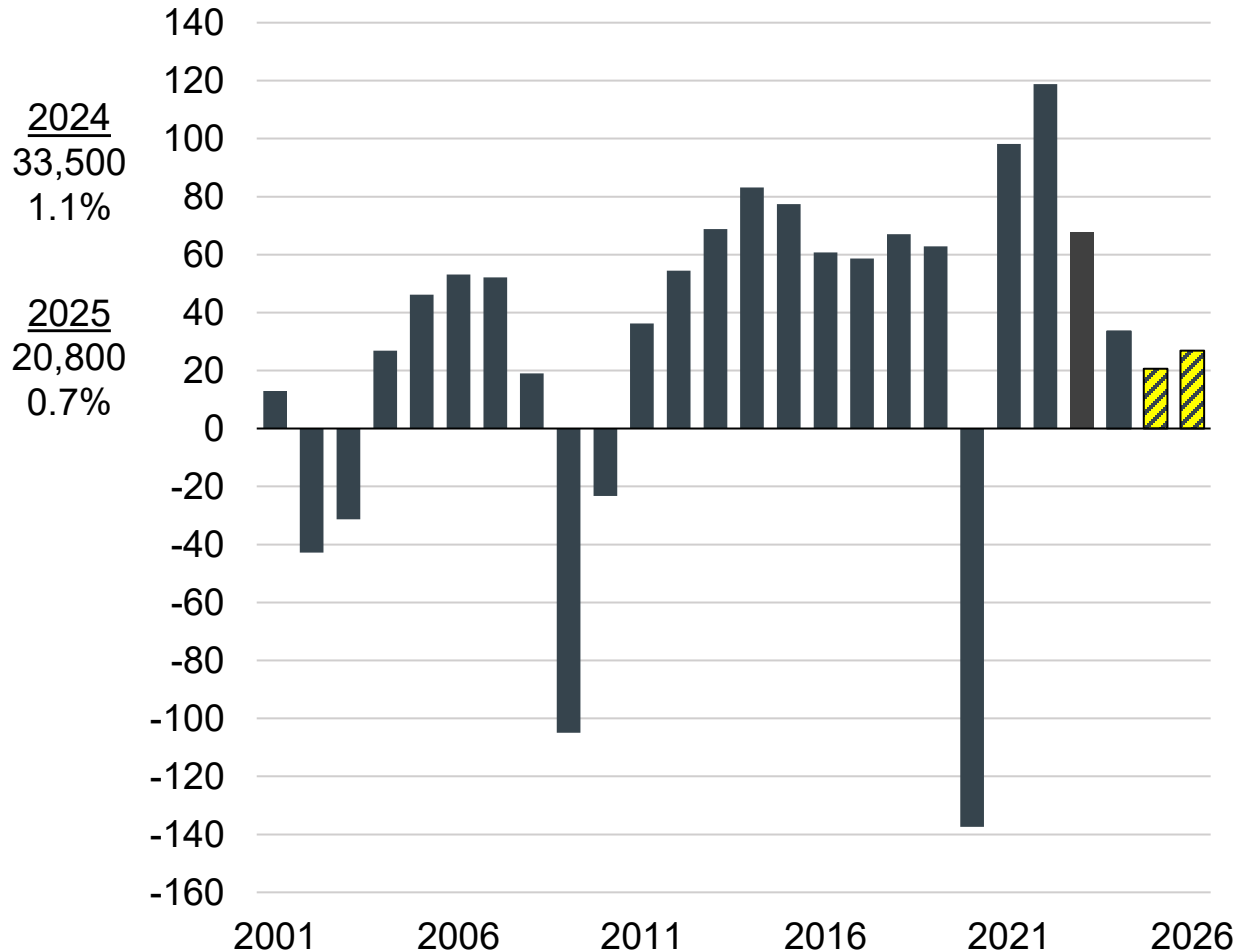


Job Openings and Unemployed

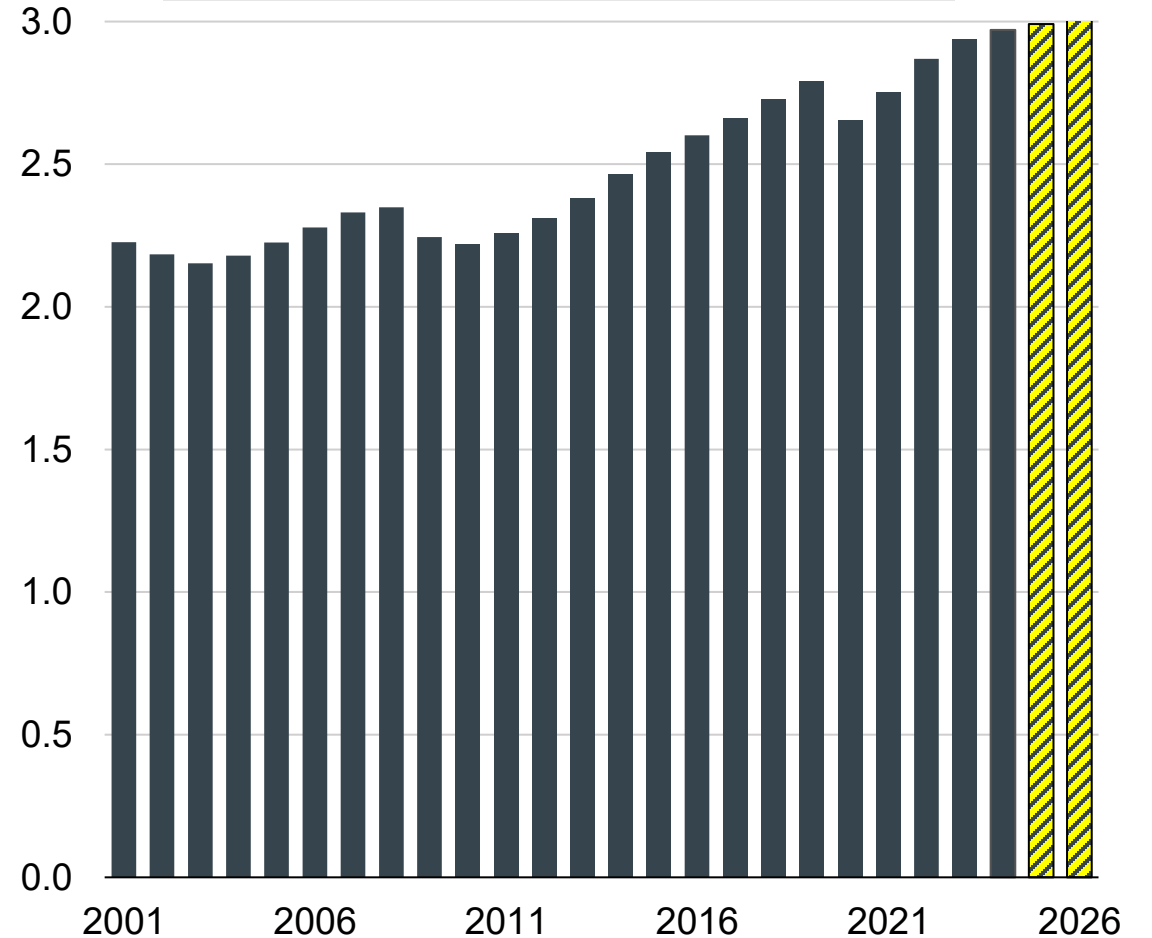


# Colorado Employment Forecast

Jobs Added, Thousands, 2000-2026



Total, Thousands, 2000-2026



# Colorado Employment Change May 2025 YoY

Jobs Added (Thousands)

Percent Change





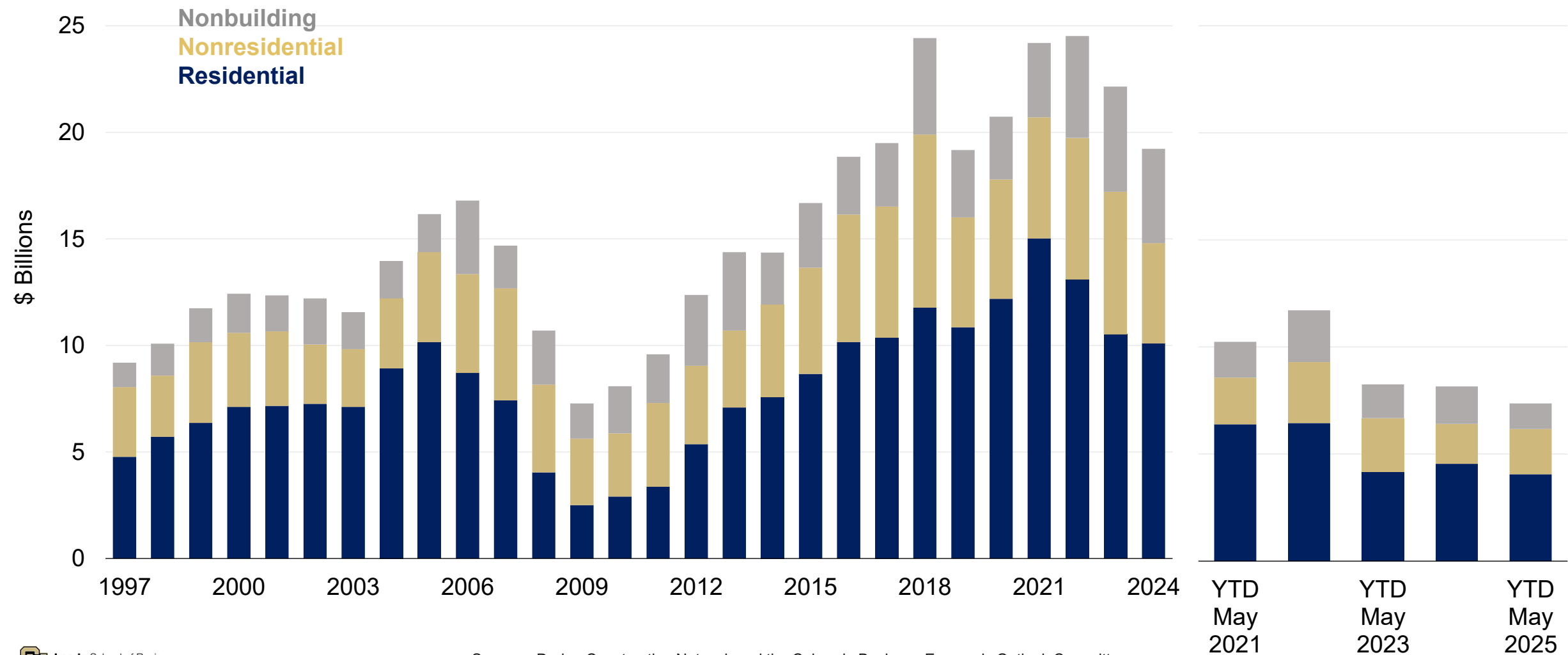


# Real Estate and Construction

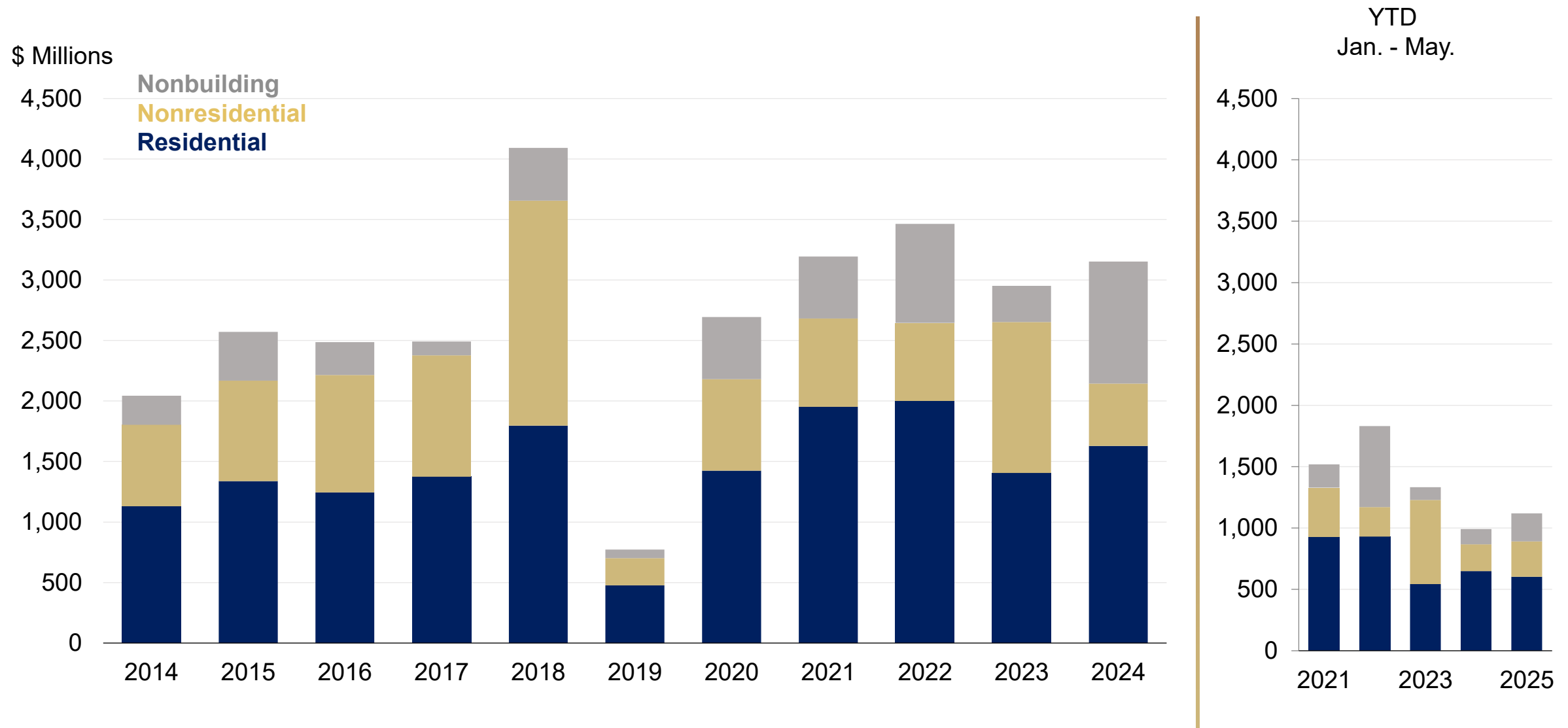




# Colorado Total Value of Construction

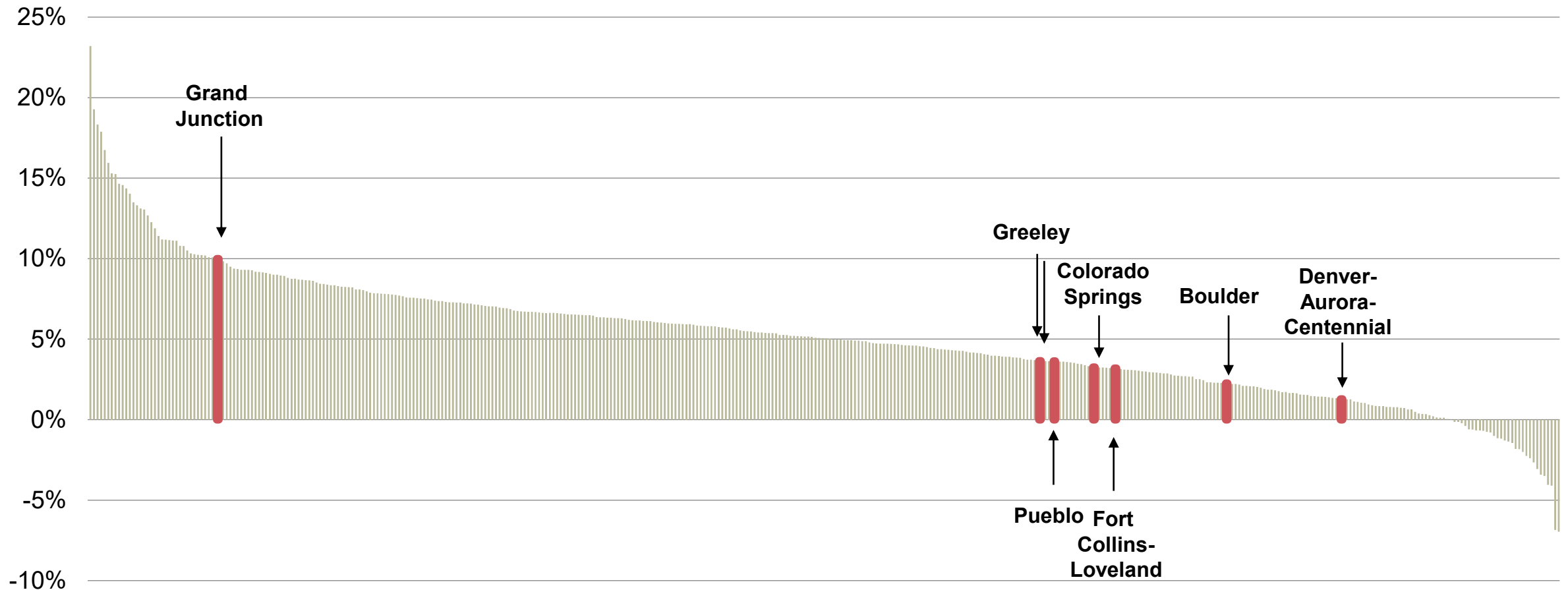


# Boulder/Weld Value of Construction



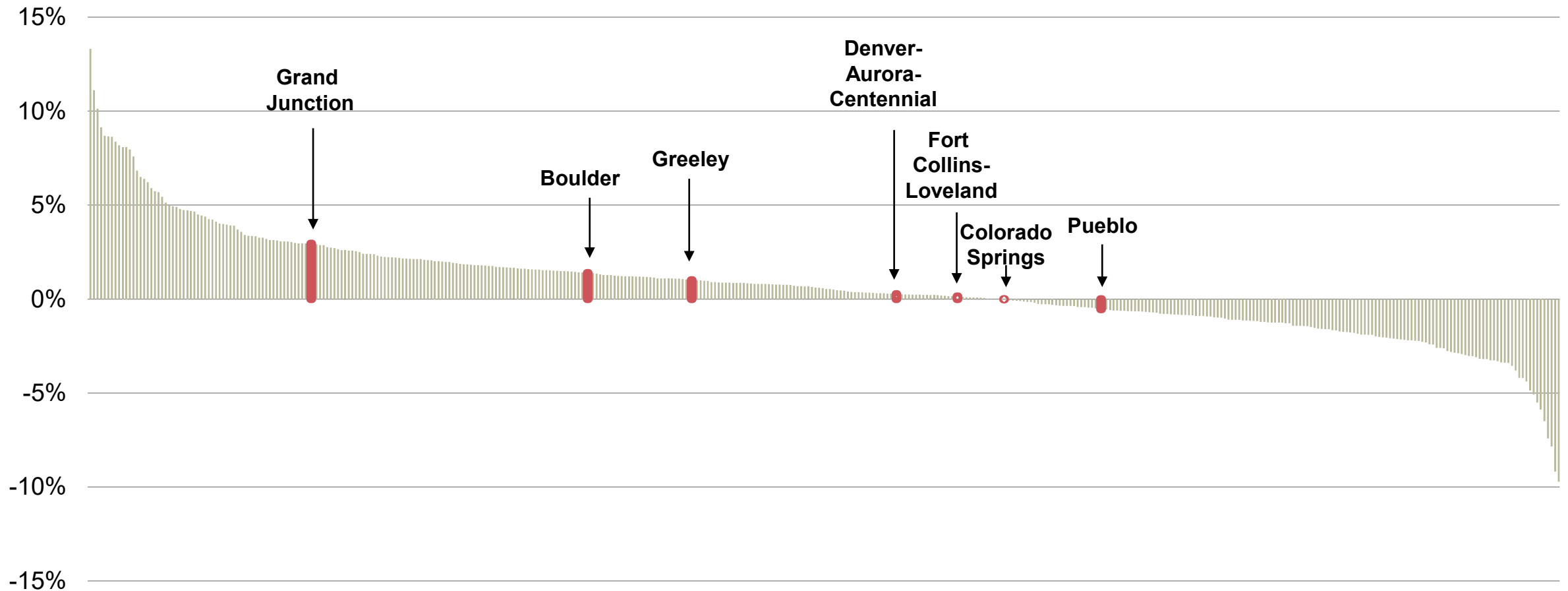
# FHFA Home Price Index by MSA

1-Year Home Price Change, Q1 2025

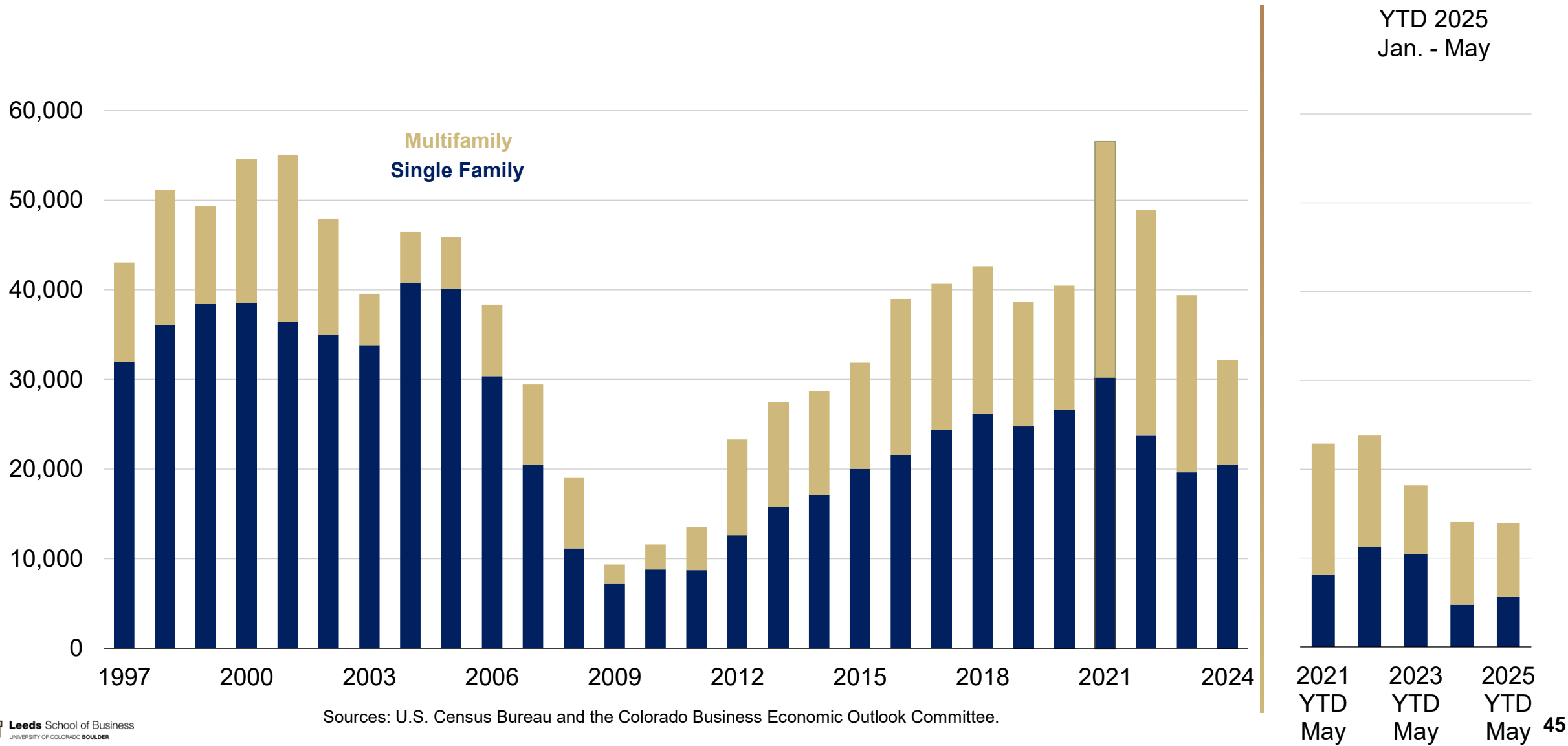


# FHFA Home Price Index by MSA

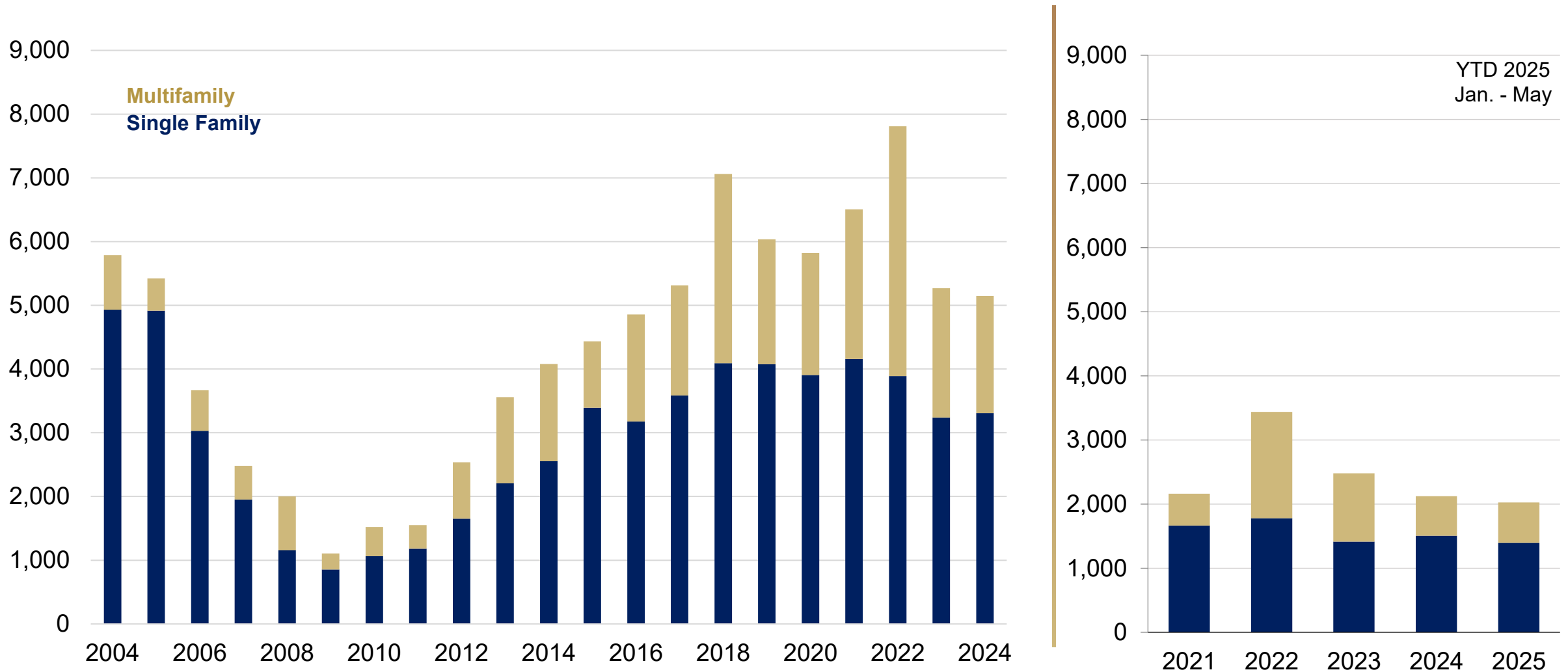
1-Quarter Home Price Change, Q1 2025



# Colorado Residential Building Permits



# Boulder/Greeley MSA Residential Building Permits





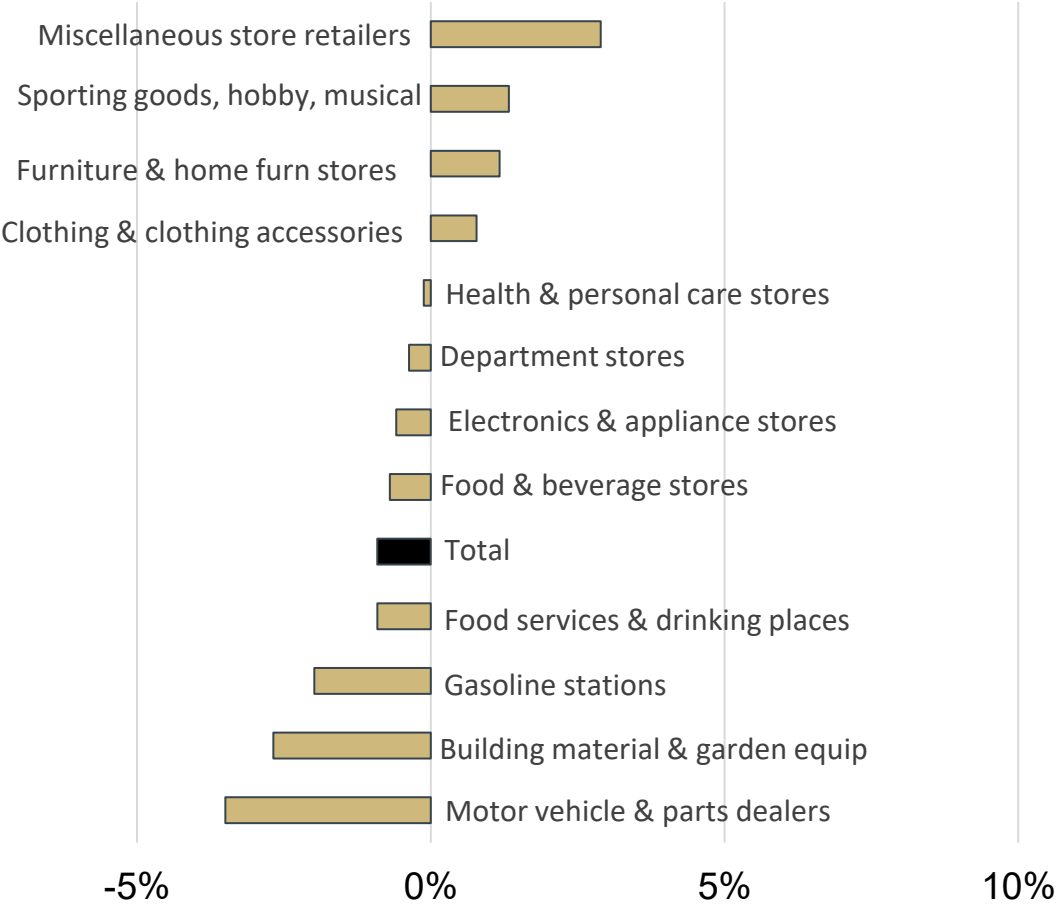
## Retail Trade and Tax Revenue

# National Retail May 2025

National, Percent Change, Year-over-Year



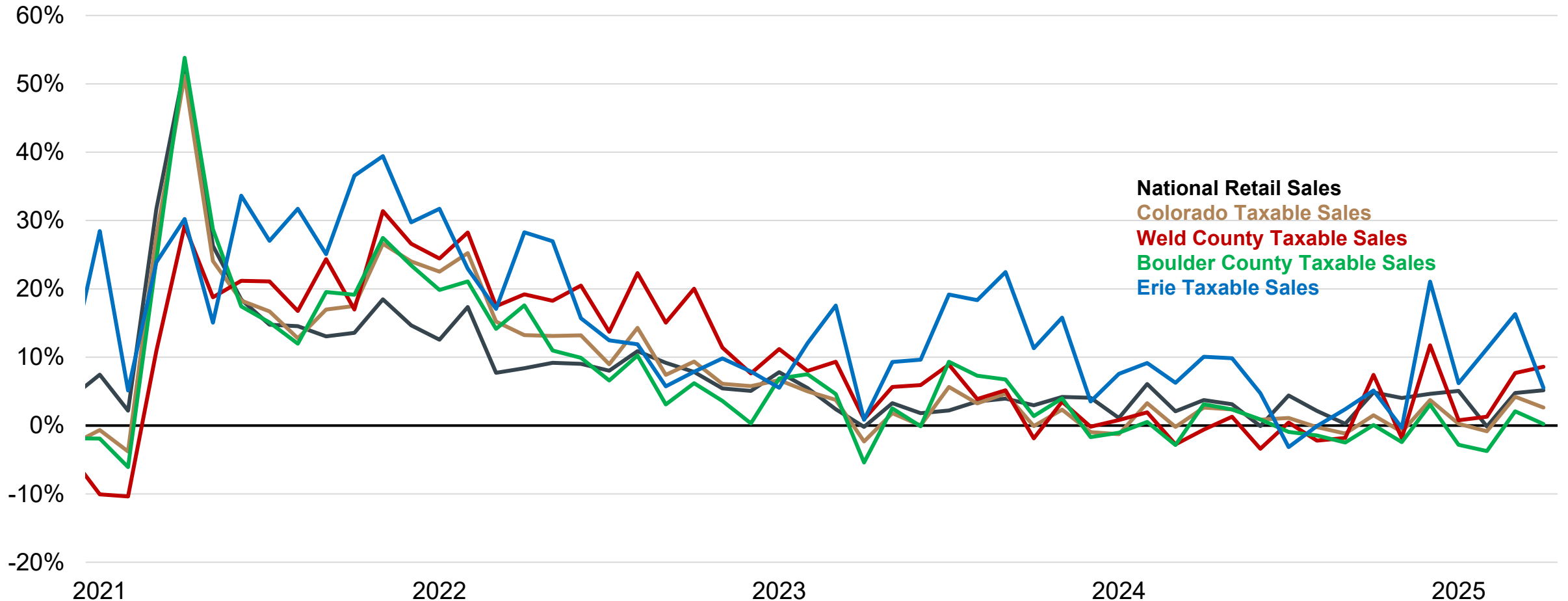
National, Percent Change, Month-over-Month





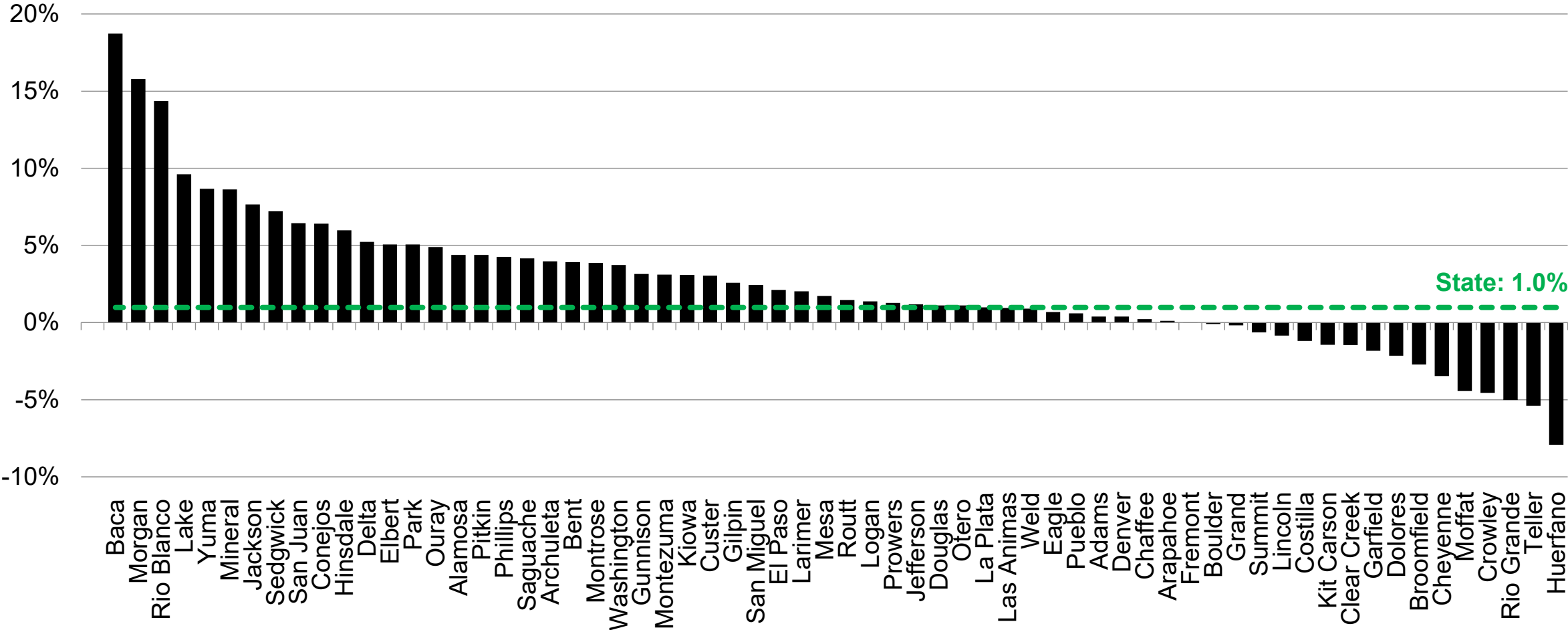
# National Retail Sales & State/Local Taxable Sales

Percent Change, Year-over-Year



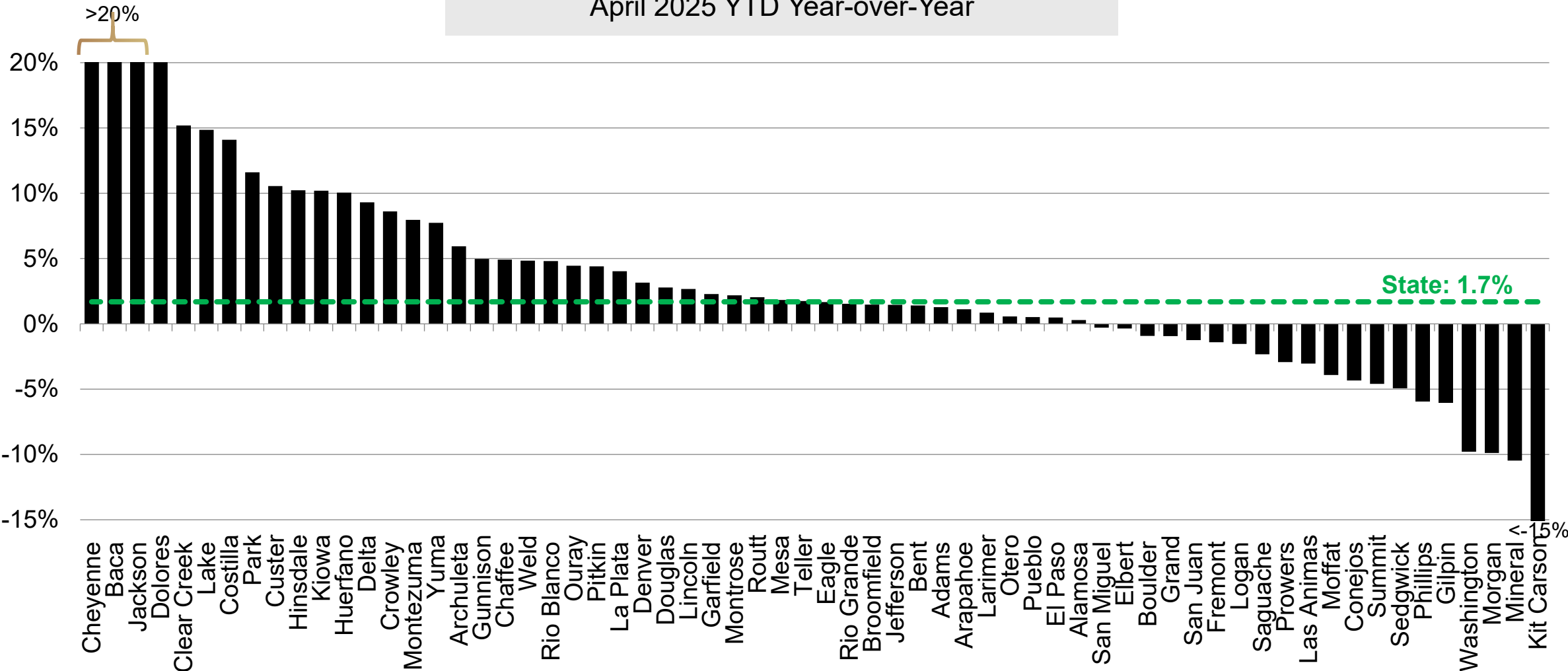
# State Taxable Sales 1-Year Change

2024 Compared to 2023



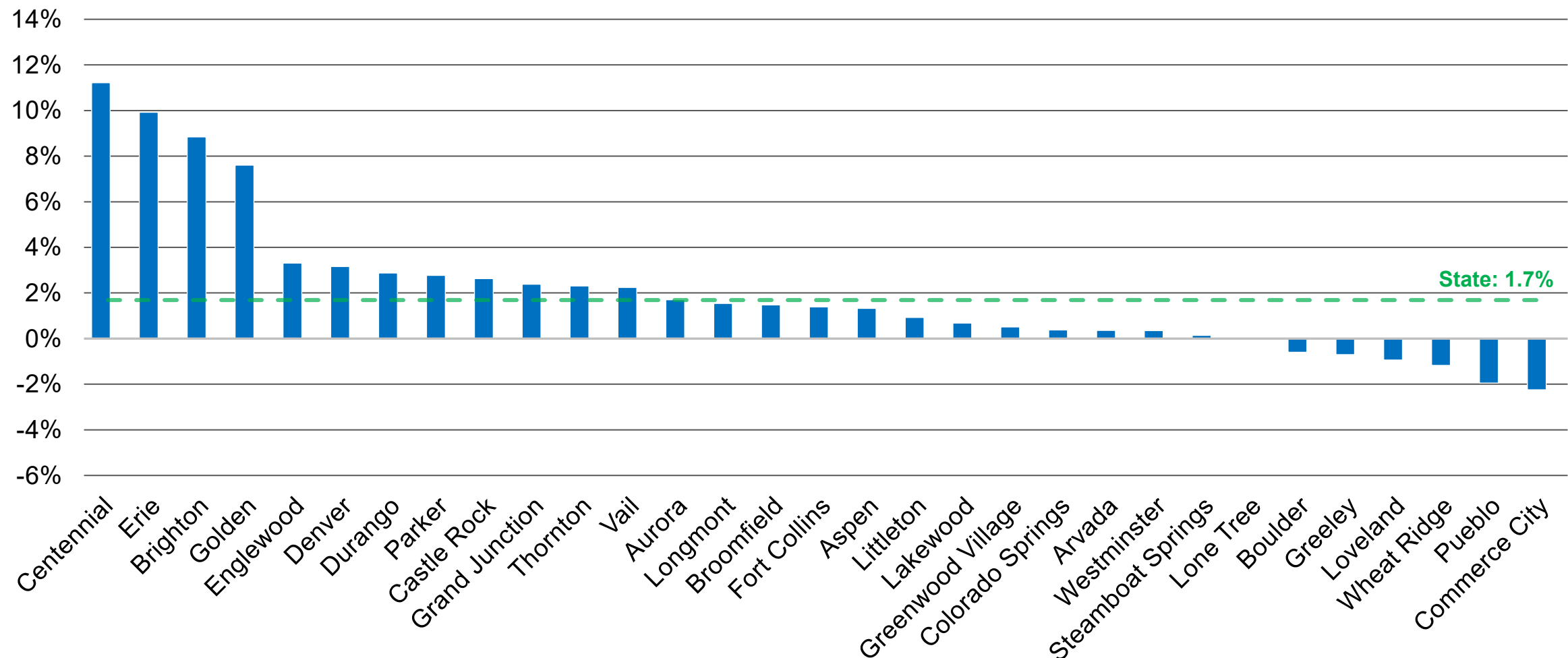
# State Taxable Sales 1-Year Change

April 2025 YTD Year-over-Year



# State Taxable Sales 1-Year Change

April 2025 YTD Compared to April 2024



## Tailwinds

Employment Growth  
Key Industry Clusters  
Consumption  
Energy  
Income Growth  
Infrastructure Spending

## Headwinds

Inflation  
Property Taxes  
Commercial Real Estate  
Interest Rates  
Worker Shortages  
Fed Policy  
Demographics  
Fiscal Cliff  
Climate Change  
War  
Water

## Unknowns

AI  
OBBBA  
Labor Participation  
Supply Chain Disruptions  
Human Behavior  
Global Trade  
Remote Work  
Consumption



# Q&A







# TOWN OF ERIE

645 Holbrook Street  
Erie, CO 80516

## Town Council

**Board Meeting Date: 7/29/2025**

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**File #:** 25-420, **Version:** 1

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**SUBJECT:**

Compensation Market Study Presentation

**DEPARTMENT:** Human Resources

**PRESENTER(S):** Alicia Melendez, Human Resources Director  
Laurie Graves, Graves Consulting, Presenter

**TIME ESTIMATE:** 60 minutes

*For time estimate: please put 0 for Consent items.*

**FISCAL SUMMARY:**

N/A

**POLICY ISSUES:**

Later this year, the Town Council will be reviewing and considering the recommended budget for 2026, with formal adoption scheduled for November 18. This Compensation Market Study review will provide Council Members with information about how HR staff and Town management consider market increases in compensation, the labor market, and other factors to assist in the decision-making process for the 2026 Budget.

**STAFF RECOMMENDATION:**

Consider and discuss the key points of the Town's Compensation Market Review process with staff and Graves Consulting.

**SUMMARY/KEY POINTS**

- Each year with the help of Graves Consulting the Town gathers current compensation data from valid survey sources that reflect the Town's labor market.
- The consultant will provide recommendations for compensation market increase implementation and ongoing structure maintenance.
- The consultant provides recommendations to create/revise pay structure(s) based on this data.

**BACKGROUND OF SUBJECT MATTER:**



The Town of Erie has maintained a strategic partnership with Laurie Graves of Graves Consulting for more than eight years, leveraging their expertise in pay equity and fair pay standards to receive fact-based, impartial guidance. The objective of the current market study is to review the Town's compensation practices relative to the Town's labor market and recommend adjustments to stay competitive and fair.

To do this, the market study systematically analyzed compensation data across various departments and roles within the Town of Erie, benchmarking these results against those of neighboring municipalities, including Broomfield, Arvada, Firestone, Frederick, Golden, Superior, Windsor, and broader surrounding markets as explained in the presentation. Additionally, positions are benchmarked with applicable private sector positions which act as a growing source of employment competition.

Addressing the findings in this market study is essential to promote fairness in compensation and remain competitive to retain talented staff and attract qualified staff when vacancies occur. The presentation will examine the study results, review market factors, and discuss compensation best practices.

**TOWN COUNCIL PRIORITY(S) ADDRESSED:**

- ☐ Attractive Community Amenities
- ☐ Engaged and Diverse Community
- ☐ Prosperous Economy
- ☐ Well-Maintained Transportation Infrastructure
- ☐ Small Town Feel
- ☐ Safe and Healthy Community
- ☒ Effective Governance
- ☐ Environmentally Sustainable
- ☒ Fiscally Responsible

**ATTACHMENT(S):**

1. Market Study PowerPoint

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07.29.25



Compensation Study Results  
Council Presentation  
July 2025

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ERIE  
COLORADO

SECTION 1

# Introduction



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2

# About Us

Graves Consulting is a Human Resources consulting firm specializing in the Public Sector. We work with organizations throughout Colorado, Oklahoma, Wyoming and North Dakota on a variety of projects, including compensation, employee retention, organizational culture, leadership development and performance management.

# Our Team



**Laurie Graves**

FOUNDER / PRINCIPAL



**Shelly Holden**

MANAGEMENT CONSULTANT



**Eric Marburger**

HR CONSULTANT



**Helen Pile**

PROJECT MANAGEMENT  
CONSULTANT



**Wendy Ecklund**

HR CONSULTANT



**Tom Graves**

DIRECTOR OF ANALYTICS

## SECTION 2

# The Project



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5

# Agenda

- Project Intent & Scope
- Pay Structures
- Deliverables
- Recommendations for 2026
- Overview of Process
- Implementation & Next Steps
- Defined Market



# Project Scope & Intent

---

## Scope

- Ensure employees are paid competitively to market
- Allow the Town to continue to recruit and retain top talent
- Maintain internal equity
- Allow for career progression and sustainable wage growth

## Intent

- Gather current compensation data from valid survey sources that reflect the Town's labor market
- Provide recommendations to create/revise pay structure(s) based on this data
- Provide recommendations for implementation and ongoing structure maintenance
- Provide additional analysis as appropriate

# Project Deliverables

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Review and analyze current wage structure and classification system

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Gather current, relevant market data for each position from a defined market from existing survey sources

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Recommend updates to the Town's pay structures to keep pace with market

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Recommend position upgrades and placement for new positions that ensure alignment to market

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## Process Overview/Data Sources

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- Met with HR Team to ensure we understand any positions that have been added or changed throughout the year
- Match Town positions to benchmark positions in the Town's Defined Market from Colorado Municipal League and PayFactors (EC)
- Data pulled represents actual wages being paid to others doing similar work – not just comparing pay ranges
- Scrub the data to ensure alignment to uniqueness of Town's positions
- Slot the few without external benchmarks based on internal relative value

## Defined Market

Cities & Towns			Counties
Aurora	Fort Collins	Mead	Adams County
Arvada	Frederick	Northglenn	Boulder County
Boulder	Golden	Parker	Jefferson County
Brighton	Greenwood Village	Superior	Weld County
Broomfield	Lafayette	Thornton	
Commerce City	Lakewood	Westminster	
Dacono	Littleton	Wheat Ridge	
Englewood	Longmont	Windsor	
Federal Heights	Louisville		
Firestone	Loveland		

## Current Pay Structures

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- Three current pay structures:
- General Gov't Structure:
  - 23 pay grades (4-26)
  - 30%-40% wide; 7.50% apart
- Part-Time/Seasonal:
  - 8 pay grades (3-10)
  - 25% wide; 9% apart
- Police Step Plan
  - 6 Officer steps
  - 4 Sergeant steps

## SECTION 3

# Results



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12

## Proposed Pay Structures

- 
- General Government
    - No structure changes
    - Increasing structure by 2%
  - Part-Time/Seasonal:
    - No structure changes
    - Increasing structure by 2%
  - Police Step Plan
    - No Structure changes
    - Increasing each step by 6%



## Merit Pay Increases

- 
- Structure increases covered on the previous slide are Market increases
  - In addition to Market increases, we are recommending a Merit pay increase budget of an additional 3%\*
  - This would make a total potential pay increase of 5% for all General Government and Part-Time/Seasonal positions (varies by step for Sworn Police)

\*Employees must receive a Capable and Effective or above on their annual performance rating to receive the 3% merit increase

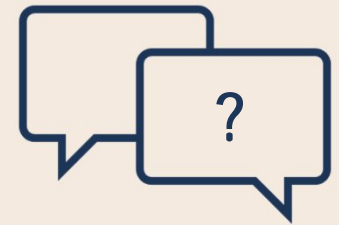
## Position Upgrades

- 
- In addition to the Market and Merit increase recommendations, we are also recommending some positions be moved to a higher grade
  - These upgrades are based on market increases for those positions that have outpaced the overall labor market movement

# Implementation

- 
- These recommendations are all pending Council approval
  - If approved, market increases will be effective 12.14.25, reflected on first paycheck in 2026
  - Merit increases will be effective on the employee's anniversary date in 2026

# Questions & Discussion





# TOWN OF ERIE

645 Holbrook Street  
Erie, CO 80516

## Town Council

**Board Meeting Date: 7/29/2025**

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**File #:** 25-435, **Version:** 1

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**SUBJECT:**

2026 Budget Forecast and Assumptions

**DEPARTMENT:** Finance

**PRESENTER(S):** Sara Hancock, Finance Director  
Cassie Bethune, Budget & Fiscal Manager

**TIME ESTIMATE:** 60 minutes

*For time estimate: please put 0 for Consent items.*

**POLICY ISSUES:**

Council consideration of policy direction on budget forecast assumptions and priority focus areas for the 2025 Budget.

**STAFF RECOMMENDATION:**

Staff are requesting direction on three key areas: forecast assumptions, budget priority areas, and potential projects to be considered for a 2026 ballot item.

**SUMMARY/KEY POINTS**

Town departments have submitted their initial 2026 Budget requests, and the Finance department is working to review within the context of the Town's available funds, Council priorities, and anticipated financial forecast. Staff will be discussing functional areas of the budget where monitoring helps inform the 2026 Budget, including:

- Revenue and expenditure monitoring.
- Approach to the long-term financial forecast and capital improvement plan.
- Considerations for debt issuance for future projects.

**BACKGROUND OF SUBJECT MATTER:**

Ahead of the formal presentation of the recommended 2026 Budget, Town staff is presenting information to support Council's desire to better understand revenue, expenditure, and staffing trends for prior budgets, as well as the approach to the long-term financial forecast. The information contained in this presentation includes:

- Historical Information
  - Revenues/Expenditures and Population Growth

- Staffing
- Long-Term Financial Strategy
- Forecast Assumptions
  - Future Growth Projections
  - General Fund Projections
- Prioritization
  - Federal Grant Exposure
  - Major Capital Projects
- Debt Capacity

### **Revenues & Expenditures; Staffing**

From 2017 to 2024, the Town of Erie experienced substantial growth in population and in both revenues and corresponding expenditures. Population has grown on average, 7.7% year over year. As the graphs in the presentation reflect, while inflation adjusted expenditures closely track or even lag population growth, actual expenditures for 2022-2024, reflecting the high inflation and wage pressures in this period, exceeded the pace of population growth. Across all funds expenditures grew on average 17% year over year, while revenues across all funds grew on average 13%. This is compressed in earlier years and accelerates in 2022-2024, where revenue growth exceeded 16% year over year.

Overall, the Town has had sufficient revenues to support the rapid growth of the Town. However, the expenditure growth, while consistent with population growth from an inflation-adjusted perspective, is in nominal dollars exceeding the rate of population growth. These charts demonstrate the increasing cost of doing business.

Staffing increased substantially over the last three years. The Town added 60.3 FTEs in all funds, including 31.6 in the General Fund since 2021. These additions are spread across all functions of the organization, including Utilities and Public Works functions, public-facing and service-providing staff, as well as internal service departments, such as Human Resources and Finance. In 2021, and using staffing ratios from other Front Range cities of differing populations, the Town developed a long-range staffing plan reflecting the staffing we should expect at different population levels. That plan, summarized in the presentation, suggested that when the Town reached 41,000 residents, the Town would benchmark approximately 352 FTEs. The Planning & Development Department's latest quarterly report estimates the Town's population at 41,283. Thus, with the Town's budgeted 345.9 FTEs in 2025, staffing trends compared with other Front Range cities are aligned with population growth.

However, it is important to note that population alone does not drive staffing requirements; FTE counts are driven even more by the level of service expected by the community and Council, revenue availability or constraints, and the projects and/or issues Council wants to complete.

### **Long-Term Financial Strategy**

Adjusting for inflation shows the Town's expenditures are in line with population increases. However, simply adjusting for inflation does not increase the revenue available to pay for services; for that we need strategy. To maintain both service levels expected by residents AND prudent reserves, Finance staff have been working closely with Town Management to maintain an ongoing long-term financial strategy. This strategy reflects two critical concepts - budgeting for Town resiliency and forecast assumptions rooted in both trend data and forward-looking economic factors.

Staff consider the following elements when reviewing budgets for resiliency and trend data:

- Council Priorities
  - These priorities should reflect the Council's policy and project areas. Budget recommendations should align to one or more of these priorities and present clear outcomes to achieve the desired result.
- Revenue & Expense Trends
  - Budget staff review revenue and expense data at the macro and micro levels for trends. This is especially important for expenses, where unspent funds may exist on a line-item level and need analysis across departments and funds. Revenue trends for different sources and industries may change due to economic factors or development in the Town, so this data is also analyzed at the macro and micro levels for year over year trends.
- Emerging Community Needs
  - Town staff considers community surveys, Council feedback, capital and maintenance needs as they arise. The forecast anticipates long-term plans, especially related to capital and maintenance needs. However, as unplanned or critical needs arise, they are incorporated into the forecast.
- Long-term Debt Needs
  - As debt is issued, the forecast includes all debt payments and corresponding revenue source for the debt for the duration of the debt. For future debt issuance, the budget includes anticipated debt payments to consider the impact of the debt to the fund.
- Staffing Growth
  - Departments are asked to engage in a prioritization process considering their long-range staffing plan. This includes considering staffing levels for core service delivery (level 1), essential community services (level 2), and aspirational services (level 3). Department Directors are asked to review the plan for upcoming years, modify the plan as changes arise, and consider if the planned needs still align with current needs. After departments submit their budgets with any personnel requests, if there are funds available, new FTEs are considered within constraints in a collaborative process with the senior leadership team.
- De-Prioritized Areas
  - Departments are asked to consider any areas that are no longer a staff, resident, or Council priority. If a program or expense exists, these are removed or repurposed in the budget.

- Capital Planning
  - Except for the Erie Community Center, Police Department Facility, and utilities projects, the Town has funded other capital projects with cash. This means capital planning hinges on the cashflow, particularly the transfers from the General Fund to the Capital Improvements Fund (CIF). The transfer must support cash-funded projects in the CIF. If not, the projects must be reduced, have timing adjusted, or be removed from the fund.

### **Forecast Assumptions**

This year, the revenue forecast has been the focus of budget development, as economic factors have become less predictable. Budget staff developed a scenario tool to evaluate what growth could be expected from key revenue sources, including property tax and sales and use tax. This tool drills to an aggregate level using past collection trends and allows for more precision in individual revenue sources. An advantage of this structure is that trend scenarios are not mutually exclusive, and different trends can be considered across scenarios - meaning a flat percentage for all revenues is not used. Staff has grouped and labeled the scenarios as "Very Constrained", "Somewhat Constrained", and "Optimistic".

Based on recommendations from the Town's compensation consultant, which reflect current inflation trends and the Town's labor market, the expenditure forecast assumes 2% market adjustments and 3% merit adjustments. If Council supports this approach, it will ensure staff compensation does not lose ground relative to inflation, staff can progress through salary ranges at a reasonable pace, and the Town doesn't suffer the expense, lost productivity, and poor quality associated with excessive turnover. To be conservative, we also assume costs in other areas will increase at 3.0%, which is slightly more than the current rate of inflation. These assumptions are built into the forecast and staff recommends the "Somewhat Constrained" scenario forecast. Staff are seeking Council confirmation of this approach (or further direction if Council wants staff to use a different scenario for developing the 2026 Budget process).

### **Prioritization of Capital Projects**

While the 2026 Budget requests are not yet available for consideration, staff are seeking guidance on what types of projects to prioritize in the CIF. Given that transfer funds to the CIF are limited and dependent on available unassigned operating funds from the General Fund, we must prioritize to sustain the CIF fund. Currently, the Fund's most costly projects, grouped in terms of their relative priority are:

- Street Maintenance - Ongoing
- Public Works Maintenance, Multiple Projects - Ongoing
- Parks Maintenance, Multiple Projects - Ongoing
- Affordable Housing Incentives - 2025, One-time
- Makerspace - 2025, One-time

Several CIF, Public Works, and Utilities projects (some multiple funds) are also fully or partially grant-



funded by federal or state pass through funds from federal agencies. At this time, all of the Town's active federal grants have agreements in place that ensure reimbursement or payment per the grant terms. The Grants team and department project teams have worked very closely with the granting federal agencies and, currently, have no reason to believe any active grants are at risk.

### **Debt Scenarios**

At Council direction, staff have reviewed options for future debt issuances. The Town debt ratio is very low, at .10, with \$8,956,430 in outstanding debt to \$9,099,965,631 in estimated actual assessed property value. The Town has the capacity to issue debt, in the form of Certificates of Participation, GO Bonded Debt, or Revenue Bonds. With Council direction on priority areas for debt-funded projects, staff could reduce capital projects in the recommended 2026 Budget, anticipating to use voter-approved debt issuance or other debt mechanisms for those projects Council wants to fund through those means, instead of cash funding those projects.

### **Council Direction**

In summary, staff needs direction in three critical areas to move forward on the 2026 Budget process. These areas include the following:

- Do you agree with the priority areas identified for the 2026 Budget?
  - Core Operations & Current Service Levels
  - Capital Maintenance
  - Public Safety
  - Parks & Recreation
  - New Capital Projects
- Do you agree with the staff's recommended revenue and expenditure assumptions for the long-range forecast?
  - Very Constrained - Flat to 3% Growth
  - **Staff Recommended** - Somewhat Constrained - 3%-5% Growth
  - Optimistic - 5%+
- What priority areas should staff prepare debt scenarios for?
  - Public Safety Building (currently budgeted - COPs)
  - Parks & Recreation Projects
  - Town Center
  - Infrastructure Projects

### **TOWN COUNCIL PRIORITY(S) ADDRESSED:**

- ☒ Attractive Community Amenities
- ☒ Engaged and Diverse Community
- ☒ Prosperous Economy
- ☒ Well-Maintained Transportation Infrastructure
- ☐ Small Town Feel
- ☒ Safe and Healthy Community

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**File #:** 25-435, **Version:** 1

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- ☒ Effective Governance
- ☐ Environmentally Sustainable
- ☒ Fiscally Responsible

**ATTACHMENT(S):**

1. Presentation

# Budget Forecast & Assumptions

# Agenda

- Historical Information
  - Revenues/Expenditures and Population Growth
  - Staffing
- Long-Term Financial Strategy
- Forecast Assumptions
  - Future Growth Projections
  - General Fund Projections
- Prioritization
  - Federal Grant Exposure
  - Major Capital Projects
- Debt Capacity

# Council Direction

**Do you agree with the  
priority areas identified  
for the 2026 budget?**

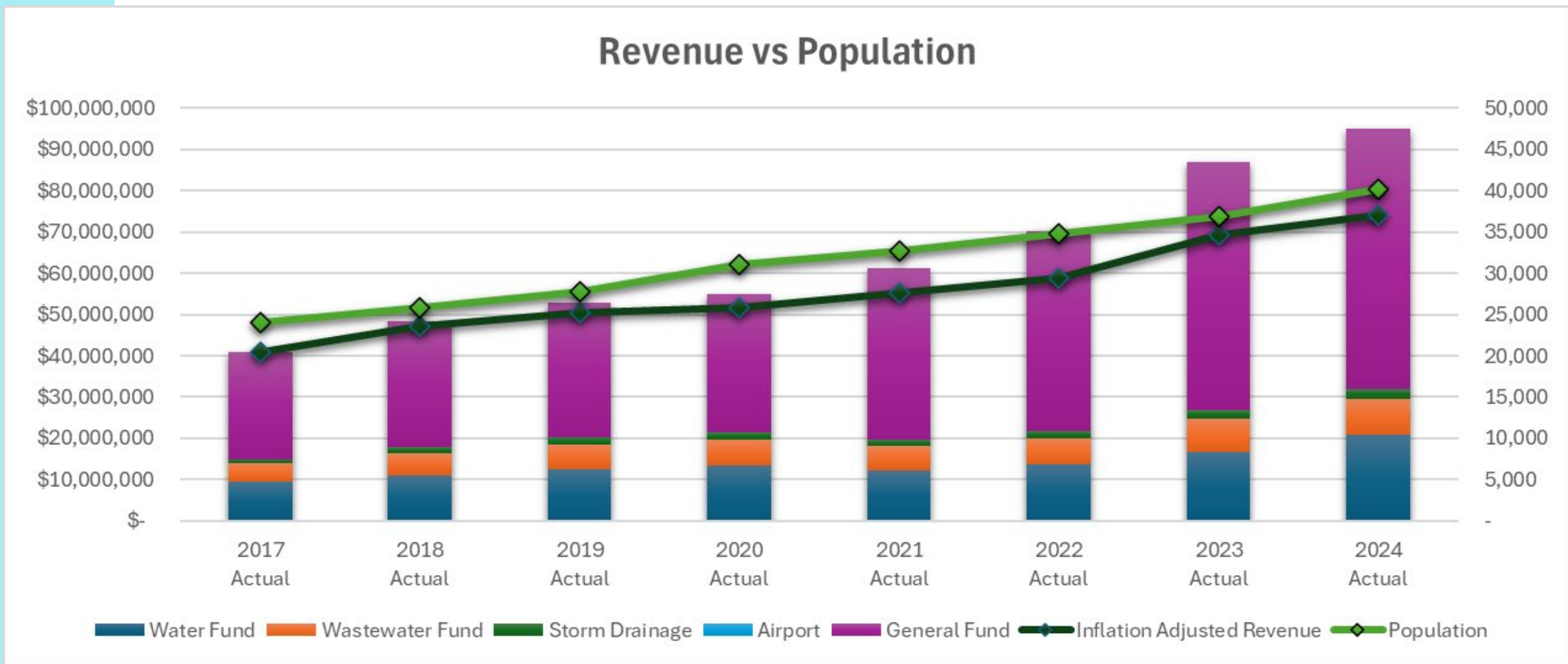
**Do you agree with staff's  
recommended revenue  
and expenditure  
assumptions for the  
long-range forecast?**

**What priority areas  
should staff prepare  
debt scenarios for?**

# Revenue & Expenditure Trends

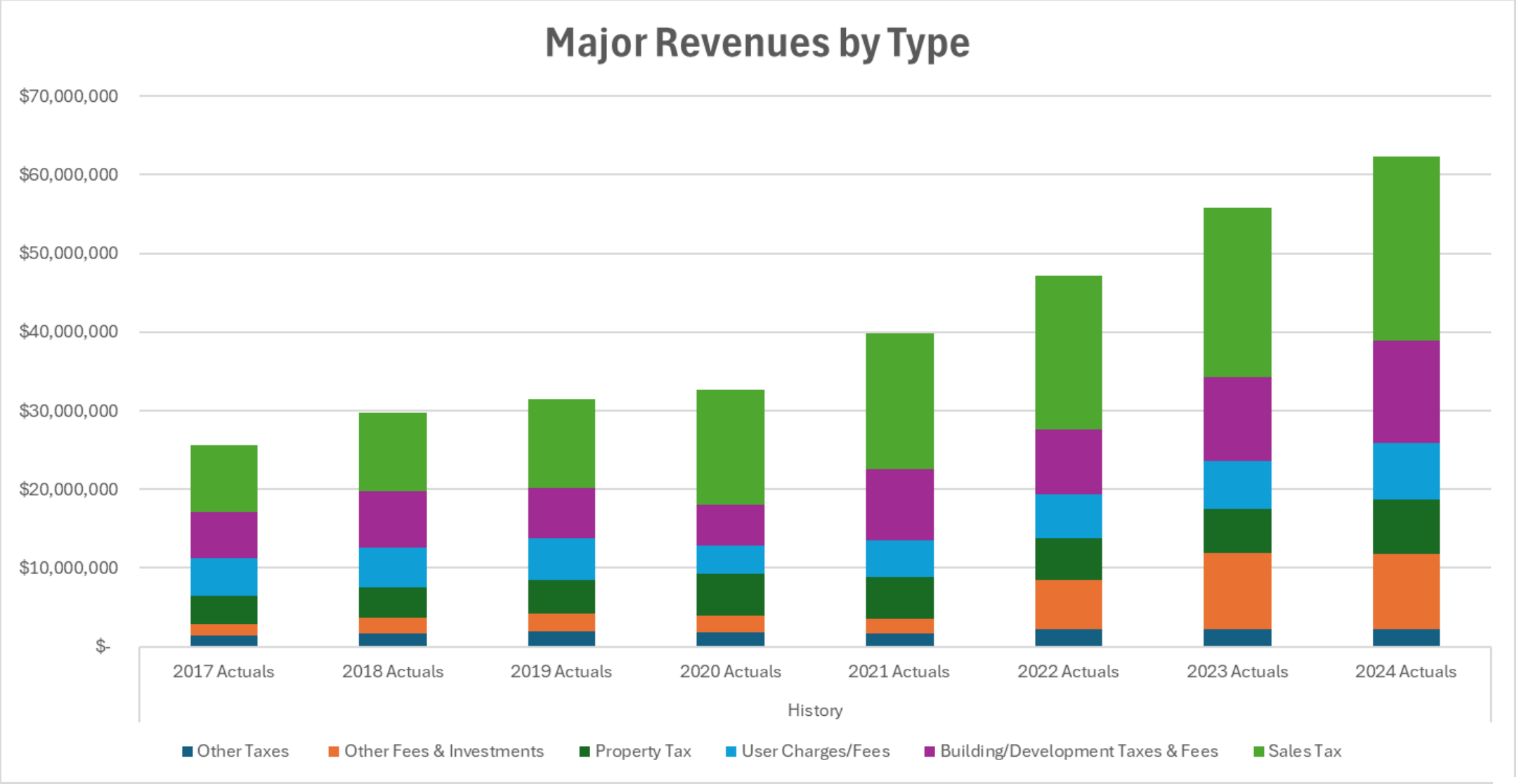


# Revenues Trends & Population Growth





# Revenue Trends by Type

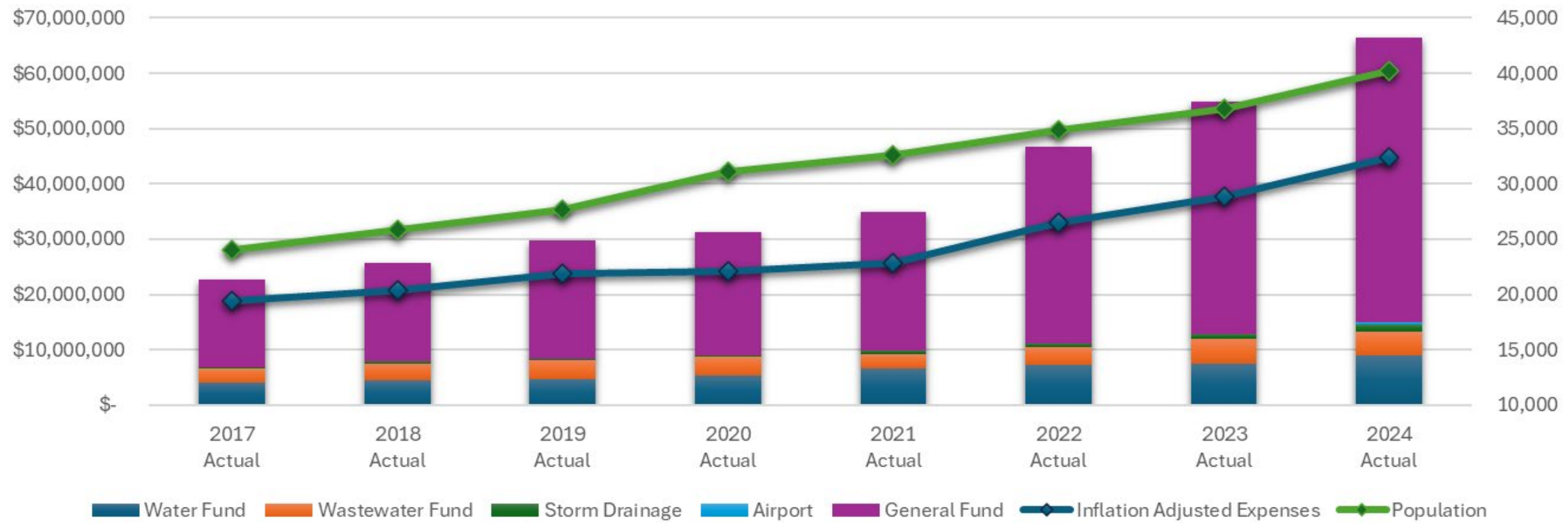






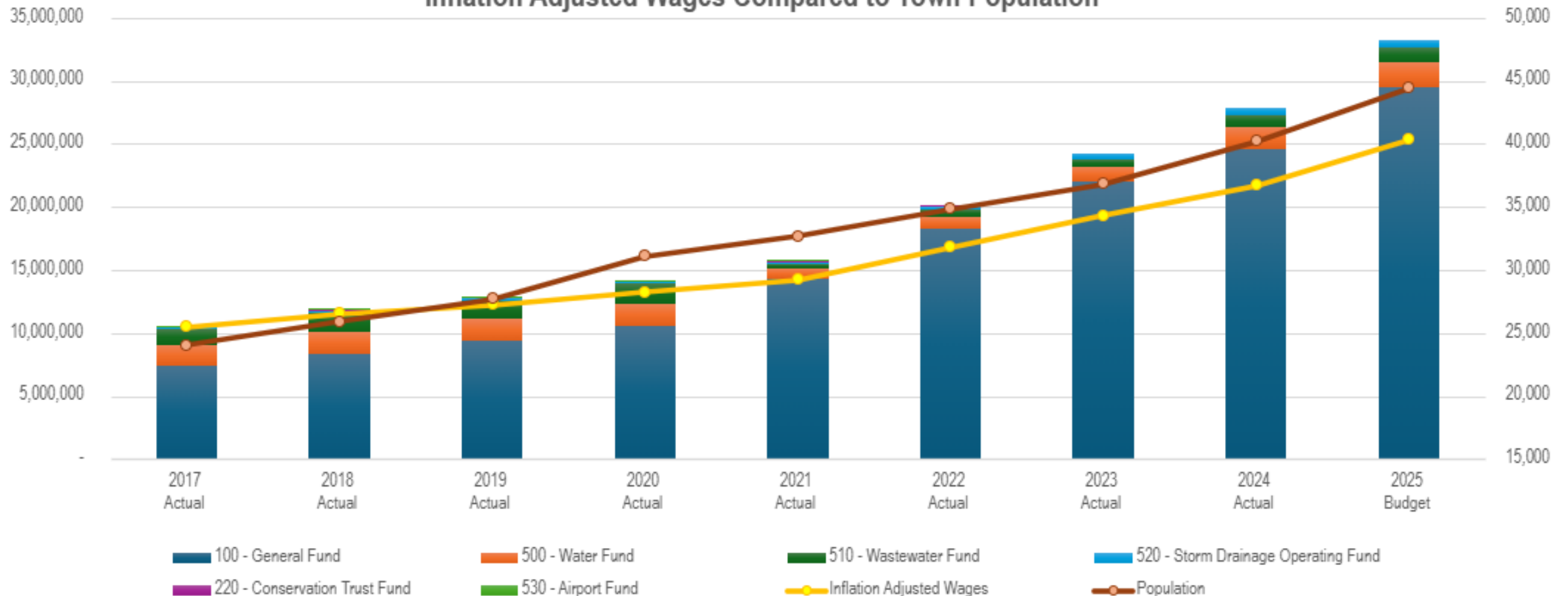
# Expenditure Trends & Population Growth

## Operating Expenses vs Population



# Staffing Trends & Population Growth

Inflation Adjusted Wages Compared to Town Population





# Long-Range Staffing Expectations - 2021

Population Milestones as it relates to Staffing needs

	28,000	2021 Requests	30,800	33,880	37,268	40,995	45,094	49,604	54,564	60,020	66,023	Total
Administration	7	2	-	1	1	1	-	1	-	-	-	13
Economic Development	2	-	1	-	1	-	1	-	-	-	-	5
Finance	8	-	-	2	6	2	3	6	3	-	1	31
Human Resources	4	-	-	1	-	1	-	1	-	-	1	8
IT Services	5	-	1	-	-	-	1	-	-	-	-	7
Parks and Recreation	82	1	2	4	1	29	-	4	35	3	-	161
Planning & Development	25	1	2	3	2	3	2	-	-	-	-	38
Police Department	48.5	-	4	7	5.5	5.5	9	5	4	8	3	99.5
Public Works	46	-	9.5	9	8	7	9	4	5	8	8	113.5
<b>Town Total</b>	<b>227.5</b>	<b>4</b>	<b>19.5</b>	<b>27</b>	<b>24.5</b>	<b>48.5</b>	<b>25</b>	<b>21</b>	<b>47</b>	<b>19</b>	<b>13</b>	<b>476</b>
Estimate	227.5	251	278	302.5		351	376	397	444	463	476	
Actual	227.5	247.4	267.2	289.7	307.7	345.9	-	-	-	-	-	
Budget Yr	2020	2021	2022	2023	2024	2025	-	-	-	-	-	

2025 Population: **40,183**  
 2025 Approved FTEs: **345.9**



# Long-Term Strategy & Forecast

# Long-Term Financial Strategy

**Are we there yet?**



- Council Priorities
- Revenue & Expense Trends
- Emerging Community Needs
- Long-term Debt Needs
- Staffing Growth
- De-Prioritized Areas
- Capital Planning



# Forecast Assumptions

	<b>General Fund</b>	<b>2024 Actuals</b>	<b>2025 Budget</b>	<b>2026 Forecast</b>	<b>2027 Forecast</b>	<b>2028 Forecast</b>	<b>2029 Forecast</b>
Revenues & Sources	<b>Beginning FB</b>	<b>53,030,933</b>	<b>28,513,947</b>	<b>25,459,068</b>	<b>25,266,980</b>	<b>24,604,181</b>	<b>23,350,784</b>
	Budgeted Revenues	62,920,401	57,451,621	60,387,194	63,472,764	66,715,996	70,124,946
	Unbudgeted Revenues	1,039,704	700,000				
	Transfer Ins	1,136,461	6,527,827	3,000,000	3,000,000	3,000,000	3,000,000
	<b>Revenues</b>	<b>65,096,565</b>	<b>64,679,448</b>	<b>63,387,194</b>	<b>66,472,764</b>	<b>69,715,996</b>	<b>73,124,946</b>
Expenditures	<b>Debt</b>	<b>1,862,466</b>	<b>3,990,163</b>	<b>3,992,813</b>	<b>3,515,613</b>	<b>3,514,613</b>	<b>3,514,614</b>
	<b>Operating Expenditures</b>	<b>51,567,304</b>	<b>59,027,105</b>	<b>62,461,048</b>	<b>66,281,027</b>	<b>70,426,789</b>	<b>74,927,474</b>
	Personnel	31,479,503	36,731,121	39,942,105	43,536,895	47,455,215	51,726,185
	Operating	20,087,801	22,295,983	22,518,943	22,744,132	22,971,574	23,201,290
	7.5% Operating Turnback		(4,427,033)	(4,684,579)	(4,971,077)	(5,282,009)	(5,619,561)
	<b>Operating w/ Turnback</b>	<b>51,567,304</b>	<b>54,600,072</b>	<b>57,776,470</b>	<b>61,309,950</b>	<b>65,144,780</b>	<b>69,307,914</b>
	Capital	8,943,780					
	Airport Transfer	240,000	310,697	310,000	310,000	310,000	310,000
	Fleet Transfers		2,333,396	1,500,000	2,000,000	2,000,000	2,000,000
	<b>Total Expenditures</b>	<b>62,613,551</b>	<b>61,234,327</b>	<b>63,579,283</b>	<b>67,135,563</b>	<b>70,969,393</b>	<b>75,132,528</b>
Fund Balance Reconciliation	Ending FB	55,513,947	31,959,068	25,266,980	24,604,181	23,350,784	21,343,203
	Transfer to CIF	27,000,000	6,500,000				
	<b>Ending Spendable FB</b>	<b>20,580,215</b>	<b>22,130,522</b>	<b>21,938,434</b>	<b>21,275,635</b>	<b>20,022,238</b>	<b>18,014,657</b>
	<b>Minimum FB</b>	<b>13,263,610</b>	<b>14,730,512</b>	<b>15,553,046</b>	<b>16,486,009</b>	<b>17,495,373</b>	<b>18,587,793</b>
	<b>Unassigned Fund Balance</b>	<b>7,316,605</b>	<b>7,400,011</b>	<b>6,385,387</b>	<b>4,789,626</b>	<b>2,526,865</b>	<b>(573,136)</b>
	<b>Total Ending FB</b>	<b>28,513,947</b>	<b>25,459,068</b>	<b>25,266,980</b>	<b>24,604,181</b>	<b>23,350,784</b>	<b>21,343,203</b>



# Forecast Assumptions – Snapshot

	Current 2025 Budget	Growth Assumptions from Current Budget			Forecasted Revenue		
		<u>Very Constrained</u>	<u>Somewhat Constrained</u>	<u>Optimistic</u>	<u>2026 Forecast 1</u>	<u>2026 Forecast 2</u>	<u>2026 Forecast 3</u>
<b>Property Taxes</b>							
General Operating	\$ 5,184,806	-7%	-5%	-3%	\$ 4,821,870	\$ 4,925,566	\$ 5,029,262
Debt Service	\$ 1,489,000		set by debt payment		\$ 1,493,500	\$ 1,493,500	\$ 1,493,500
<b>Sales Taxes</b>							
Retail	\$ 20,900,000	3%	5%	7%	\$ 21,527,000	\$ 21,945,000	\$ 22,363,000
Vehicle	\$ 4,180,000	0%	2%	5%	\$ 4,180,000	\$ 4,263,600	\$ 4,389,000
<b>Other Taxes</b>							
Highway User Taxes	\$ 950,000	3%	5%	7%	\$ 978,500	\$ 997,500	\$ 1,016,500
Motor Vehicle Taxes	\$ 95,000	8%	8%	8%	\$ 102,600	\$ 102,600	\$ 102,600
Road & Bridge Taxes	\$ 200,000	-15%	-10%	0%	\$ 170,000	\$ 180,000	\$ 200,000
Cigarette Taxes	\$ 22,000	0%	0%	0%	\$ 22,000	\$ 22,000	\$ 22,000
Severance Taxes	\$ 250,000	0%	0%	0%	\$ 250,000	\$ 250,000	\$ 250,000
Specific Ownership Taxes	\$ 375,000	0%	0%	0%	\$ 375,000	\$ 375,000	\$ 375,000
<b>Building/Development</b>							
Use Tax	\$ 5,577,000	-1%	-1%	0%	\$ 5,521,230	\$ 5,521,230	\$ 5,577,000
Building Permits	\$ 2,834,250	-1%	-1%	0%	\$ 2,805,908	\$ 2,805,908	\$ 2,834,250
Other Building Revenue	\$ 153,000	35%	40%	45%	\$ 206,550	\$ 214,200	\$ 221,850

- Overall Growth Assumptions: All Revenue Categories
  - Very Constrained – Flat - 3%
  - Somewhat Constrained – 3%-5%
  - Optimistic – 5%+

# Federal Grants





# Federal Grant Exposure

Project	Federal Agency	Awarded	Progress	Expected Completion Date
County Line Rd Roadway Improvements	US Dept of Transportation	\$ 2,360,000	99%	6/30/2025
Coal Creek Channel Restoration	FEMA (Federal Emergency Management Agency)	\$ 1,153,221	70%	12/20/2026
Erie Pkwy & WCR 7 Signal Grant	US Dept of Transportation	\$ 480,000	100%	4/30/2026
Traffic Signal Comm Project	US Dept of Transportation	\$ 893,000	100%	4/30/2026
WCR3 Bridge North of WCR 12	US Dept of Transportation	\$ 1,036,368	80%	6/30/2025
Affordable Housing - Repairs to Single Family Homes	Housing and Urban Development	\$ 167,000	0%	12/31/2025
EIAF 9393 - Erie Comprehensive Plan	Federal Funds -- Pass Through State	\$ 100,000	100%	10/30/2025
Main Apron and Taxiway A Rehab	Federal Aviation Administration	\$ 977,151	0%	7/31/2028
Leon A Wurl Service Center - Turf Replacement Project	US Dept of the Interior	\$ 69,443	0%	12/31/2026
Total Active Grants		\$ 7,236,183		

# Capital Improvement Fund



# Capital Improvements Fund

## Capital Improvements Fund - 110

Project Account	Department	Project Description	2025 1st		
			2025 Adopted	Supplemental	2025 Total Budget
100378	Public Works	Street Maintenance Projects	\$ 4,500,000	\$ -	\$ 4,500,000
100900	Econ Dev	Makerspace	\$ 1,200,000	\$ -	\$ 1,200,000
100234	Public Works	Facilities Energy Performance	\$ 900,000	\$ 253,290	\$ 1,153,290
100367	Parks & Rec	Park Fixture Replacements	\$ 590,000	\$ -	\$ 590,000
253002	Planning	Affordable Housing Fund	\$ 500,000	\$ 855,000	\$ 1,355,000
253001	Planning	Coal Creek Pre-Development Sitework	\$ 375,000	\$ -	\$ 375,000
100147	Parks & Rec	Playground Replacements	\$ 350,000	\$ -	\$ 350,000
100379	Public Works	Concrete Maintenance Program	\$ 350,000	\$ -	\$ 350,000
247003	Public Works	ECC Replacement RTU(s)	\$ 325,000	\$ 700,000	\$ 1,025,000
257003	Public Works	Vista Parkway Interim Improvements	\$ 210,045	\$ -	\$ 210,045
100085	Public Works	WCR3 Bridge	\$ 165,000	\$ 1,165,404	\$ 1,330,404
100425	Parks & Rec	HOA Pocket Park Program	\$ 150,000	\$ (150,000)	\$ -
100329	Public Works	Facility Safety & Life Cycle Projects	\$ 149,900	\$ 19,645	\$ 169,545
247002	Public Works	LAWSC Additional space and security	\$ 120,000	\$ 788,900	\$ 908,900
	Env Services	FLIR Camera Model: Gx320	\$ 115,000	\$ -	\$ 115,000
100368	Parks & Rec	POST Infrastructure Maintenance & R	\$ 85,000	\$ 180,367	\$ 265,367
100246	Parks & Rec	ECC Pool Maintenance	\$ 76,360	\$ -	\$ 76,360
100177	Public Works	Traffic Mitigation	\$ 75,000	\$ 42,000	\$ 117,000
100170	Public Works	Traffic Calming	\$ 75,000	\$ -	\$ 75,000
	Parks & Rec	Parks & Rec Capital Equipment	\$ 54,000	\$ -	\$ 54,000
100423	Public Works	Traffic Signal Improvements	\$ 52,500	\$ -	\$ 52,500
100327	Env Services	Electric Vehicle Charging Stations	\$ 50,000	\$ 140,044	\$ 190,044
100353	Public Works	Office Remodeling	\$ 50,000	\$ 138,486	\$ 188,486
100166	Public Works	Parking Lot Maintenance	\$ 50,000	\$ -	\$ 50,000
100295	Public Works	Mechanical Replacement	\$ 45,000	\$ 45,000	\$ 90,000
	Police	K9 Police Dog	\$ 20,000	\$ -	\$ 20,000
	Police	DJI M30T UAS Drone	\$ 12,400	\$ -	\$ 12,400
100250	Parks & Rec	ECC Maintenance Refresh	\$ 10,000	\$ -	\$ 10,000



# Capital Improvements Fund

## Capital Improvements Fund - 110

Project Account	Department	Project Description	2025 Adopted	2025 1st Supplemental	2025 Total Budget
247001	Env Services	Street Lights	\$ -	\$ 2,597,719	\$ 2,597,719
131430	Planning	Affordable Housing Old Town Future	\$ -	\$ -	\$ -
100199	Public Works	Town Hall Expansion	\$ -	\$ 2,223,055	\$ 2,223,055
115001	Public Works	Page Property	\$ -	\$ 477,356	\$ 477,356
247007	Public Works	Flora View Signal Communications Integration	\$ -	\$ -	\$ -
252202	Econ Dev	Xcel Joint Funding Agreement	\$ -	\$ 411,418	\$ 411,418
100252	Public Works	Signal Communication Project	\$ -	\$ 228,017	\$ 228,017
100410	Parks & Rec	Public Art and Placemaking Program	\$ -	\$ 85,851	\$ 85,851
252503	Env Services	Charge Ahead 2025 Grant	\$ -	\$ 9,500	\$ 9,500
100439	Public Works	Facilities Exterior	\$ -	\$ 36,570	\$ 36,570
100200	Parks & Rec	Schofield Farm/Strieby Open Space/Erie Lake Exp. M	\$ -	\$ 18,001	\$ 18,001
100424	Public Works	Pierce Street House Upgrades	\$ -	\$ 7,401	\$ 7,401
212121	Multiple	ARPA	\$ -	\$ 2,399	\$ 2,399
100250	Parks & Rec	ECC Maintenance Refresh	\$ 10,000	\$ -	\$ 10,000
		Total Capital Improvements Fund	\$ 10,655,205	\$ 10,275,423	\$ 20,930,628

- Currently, the 2025 CIF has over half of the budgeted projects classified as new or continuing projects.

2025 Budgeted CIF		
\$9,113,192	44%	Capital Maintenance
\$201,400	1%	Capital Equipment
\$11,616,036	55%	New or Continuing Capital Projects

# Prioritization – CIF Forecast

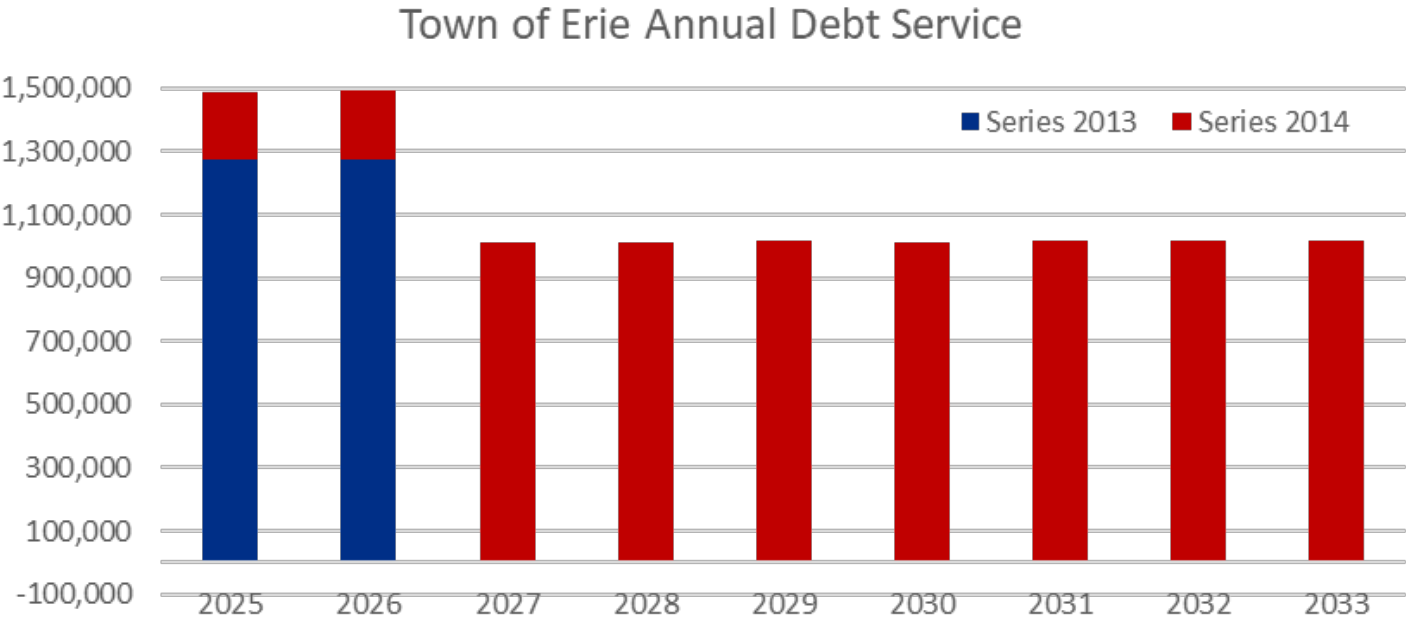
		2024 Actuals	2025 1st Supp.	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
	CIF Beginning FB	-	27,000,000	12,569,372	2,430,514	(4,586,092)	(11,780,128)
	General Fund Transfer	27,000,000	6,500,000	-	-	-	-
	Rollovers	-	9,079,005				
	New Requests		411,418				
	Interfund Transfers		785,000				
	Original Capital Budget	-	10,655,205	10,138,858	7,016,606	7,194,036	7,065,952
	Total Capital Budget	-	20,930,628	10,138,858	7,016,606	7,194,036	7,065,952
	CIF Ending FB	27,000,000	12,569,372	2,430,514	(4,586,092)	(11,780,128)	(18,846,080)

- The General Fund transfer will be determined once operating and debt are balanced.
- This forecast assumes that the CIF will spend 100% of the budget – it never does.
- The 2026 forecast includes the unvetted department requests. This number is not finalized.

# Debt



# Current General Fund Debt



- **Erie Community Center – 2026 Payoff: \$1,240,000**
  - The 1st 2025 payment has been made
- **Public Safety Building – 2033 Payoff: \$6,200,000**
  - Interest-only payments have been made since 2014

Year	Population	Estimated Actual	General Bonded Debt	Debt to Actual Ratio	Debt per Capita
2024	40,183	9,099,965,631	8,956,430	0.1	223





# Debt Scenarios

## General Fund - Planned and Potential Projects

- Parks & Recreation Projects
- Street Maintenance
- Water/Additional Recreation Facility
- Performing Arts Center
- North/South Connection
- LAWSC Expansion

**Public Safety Building – Currently budgeted in debt payment, forecasted at \$2.5 million**

- **Expand project debt to include Town Center Mitigation Funds**
  - Would increase debt payment approximately \$500,000-600,000 per year, dependent on final interest rate and project cost.

# Council Direction

Do you agree with the priority areas identified for the 2026 budget?

- Core Operations & Current Service Levels
- Capital Maintenance
- Public Safety
- Parks & Recreation
- New Capital Projects

Do you agree with staff's recommended revenue and expenditure assumptions for the long-range forecast?

- Very Constrained – Flat to 3% Growth
- **Staff Rec'd:** Somewhat Constrained – 3%-5% Growth
- Optimistic – 5%+

What priority areas should staff prepare debt scenarios for?

- Public Safety Building (currently budgeted- COPs)
- Parks & Recreation Projects (Future Ballot Item[s])
- Town Center
- Infrastructure Projects

# Questions & Discussion