

Staff Recommendations and Other Options for Reducing the Pandemic Impact to General Fund Reserves									
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Item	Priority	Dept	Action	Improved Efficiency	Reduced Service	Revenue Increase	Pros	Cons	Possible Annual Savings or Revenue
1	A	All	Defer capital projects. See specific list.		X		Significant temporary savings. Can be adjusted as fiscal situations warrants.	May result in higher expenses later, due to deferring maintenance further.	\$ 2,017,400
2	A	PW	Various reductions in Public Works including maintenance, supplies and training.	X	X		The largest cut involves asphalt patching of roughly \$144,000, we would continue to seal cracks and fill potholes. This can be deferred this year without significant issues, but shouldn't be extended past 2020.	Lack of asphalt patching for the year could result in extra patching in following year.	\$ 337,700
3	A	All	Review all vacant positions, fill only critical and/or revenue generating positions and account for savings from current FT and PT staff vacancies	X			Ability to have guaranteed savings.	Vacant positions mean the work is shifted to others; staff is already doing more as a result of the pandemic and some work is not getting done.	\$ 300,000
4	A	Fin	Eliminate transfer to Fleet & Equipment Acquisition Fund				Increases available GF reserve	Reduces available reserves in Fleet Fund	\$ 250,000
5	A		Stop paying all part-time staff who are still not working as of May 1 due to facility closure and cannot be redeployed to other duties. Savings is based on ECC reopening on May 26 and gradual return to full operations by July 15. Does not reflect unbudgeted wage increases due to market adjustments. Also assumes staffing will be somewhat higher than normal to maintain safe conditions. Dates for full operations may need to shift if statewide COVID infections increase and Stay At Home is reinstated.		X		Budget savings. Note: This action will generate \$231,700 in direct savings. However, this amount will be offset by previously unbudgeted wage increases associated with market adjustments that total \$186,000. Thus, the net budget change is a reduction of \$45,100. The budget memo reflect this net reduction in all calculations.	Would require gradual ramp up to reopen, rather than reopening with staff fully trained to "hit the ground running" when the ECC reopens. Positions would be eligible for unemployment and that would increase premiums for the Town next year; that expense is currently about \$40,000 annually. May lose some PT staff to other opportunities. Some PT staff would initially make less as operations ramp up over the summer.	\$ 115,850
6	A	All	Eliminate Travel & Conferences, Books (Planning, Engineering and Building \$50,000; ReCon \$50,000; HR \$5,000; Administration \$5,000; Legislative \$5,000; all others \$45,000).		X		Most conferences and travel plans have already been cancelled.	Cutting training would mean employees are less able to maintain mandatory certifications or learn about new ideas and best practices in respective fields. Decrease in expertise and skill. Employees may seek employment elsewhere (though not likely in the current economic environment). This increases the cost of attrition. Contradicts guiding principle that talented, motivated, well-trained employees are the Town's most important asset.	\$ 160,000
7	A	BoT	Postpone pursuit of Home Rule until 2021.		X		Decreases expenditures. Assists with overall staff workload and Board time.	Defers project. Town not able to benefit from flexibility afforded to the 96 other Colorado municipalities, 72 of which are smaller in population than Erie and yet have already passed Home Rule charters.	\$ 139,000

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8	A	P&R	Eliminate July 3rd Fireworks in 2020.		X		Budget savings. Discourages people from gathering in a centralized area to watch the show. Depending on health guidelines, may send mixed message if we have show. In any year, the event is subject to fire restrictions and/or rain out; in that context, should the event still be held when there is danger of COVID?	Temporary loss of a cherished community tradition.	\$ 45,000
9	A	Adm	Defer work on cemetery master plan.		X		Not essential to daily operations	The cemetery facility and operations are outdated and need to be addressed to improve efficiency. Could be additional cost to restart the project next year.	\$ 25,000
10	A	BoT	Eliminate Town funding for the annual end-of-year party.		X		Budget savings. We use other ways to thank employees throughout the year.	Loss of an opportunity for Town staff to get to know each other informally and reduce departmental "silos" and increase morale. This is the only "formal" thank you to citizen volunteers - Boards and Commission.	\$ 25,000
11	A	All	Advertising & Publishing (Human Resources \$10,000; Administration \$5,000)	X			HR - Majority is advertising to fill FT positions, and marketing and promotional materials for community events.	When we need to post critical positions, we would only be able to post to a limited number of sites and may not get qualified candidates as we generally do when we advertise more broadly.	\$ 15,000
12	A	BoT	Eliminate funding for new non-profit agency requests.		X		Budget savings. \$14,000 has already been distributed to agencies.	A valuable funding resource will be lost to the Town's nonprofits that provide important services to the most vulnerable of the Town's residents.	\$ 10,000
13	A	BoT	Small Business Emergency Assistance Grant Program				Assist businesses in need so they can survive and eventually generate additional employment opportunities and tax revenue.	Current budget expenditure.	\$ (300,000)
Total Savings from Recommended Actions									\$ 3,139,950
14	B	ALL	Eliminate cost of living and merit raises in <u>2021</u> .		X		Short-term budget savings.	This really only postpones the cost, because eventually we need to pay competitive compensation or we lose highly qualified employees. Eliminating merits also sends a message to highest performing employees we don't value their contributions. Leads to employees "losing ground" relative to inflation or not progressing through the pay range.	\$ 300,000

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15	B		Defer projects requiring outside consulting assistance: Engineering study for peel road in Town Center Estimate \$90,000; Impact fee study: \$70,000; DPZ on call services for Town Center development review: \$25,000; SH52 PEL Study: \$28,000; SH7 Preliminary Engineering and Evaluation (PEE): \$21,000.		X		Budget Savings	Would delay development in Town Center, delay needed updates to the Town's Impact Fees; and delay transportation improvements needed to improve public safety and reduce traffic congestion.	\$ 234,000
16	B	PD	Cut police operations budget by 11.94% to include reductions/decreased purchasing from: Records Office Supplies (\$5,000); Community Liaison - Program Operations (\$10,000) & Uniforms (\$5,000); Overtime from Community Liaison (\$5,000), Investigations (\$20,000) & Patrol (\$10,000); Investigations - Tools/Equipment (\$10,000); Patrol - Uniforms (\$10,000), Tools/Equipment (\$10,000), Equipment Maint. Services (\$5,000), Lab Services (\$5,000) & Ammunition/Targets (\$5,000).	X			The Erie PD has lumped 12 separate line items together for a total of \$100,000 in proposed cuts. These items basically include, supplies, clothing/Uniforms, Tools/Equipments, Ammunition/Targets, Special Event give-aways and Overtime. Making these cuts will hopefully help the Town absorb some of the deficits incurred.	The cons for Erie PD's budget cuts are these funds are used to preserve our professional appearance and to retain quality tools/equipment, in order to maintain best practices. These cuts would also impact community relations with a decrease in special events and promotional give-aways. Cuts to OT can be managed with "washing" OT hours. However, the extension of this could cost us by losing stellar employees.	\$ 100,000
17	B	P&R	Reduce Parks maintenance		X		Short-term reduction in operating cost and wages	Savings will be offset by higher costs associated with deferred maintenance when current service levels are restored (mowing and weed mitigation). Service level decrease will be noticeable to the public. The Town's residents and businesses say the appearance of the Town is important to the Town's image and businesses success in attracting patrons. Staff has experienced number of people in the parks and on trails	\$ 85,000
18	B	P&R	Defer Disk Golf course construction.		X		Budget savings.	There is already strong public demand for outdoor recreation that allows strict social distancing; not building the course will maintain pressure on other venues.	\$ 50,000

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19	B		Targeted 2-week furloughs. Allow staff to choose the date when furlough takes place. Note: in addition to the cons listed to the right, except for the very limited situations where there is no work for the employee to do because a facility is closed temporarily, furloughs don't make the workload go away, they just postpone it; they don't reduce calls for assistance at the Police Department; and they don't stop the grass from growing in the parks or reduce the accounting transactions or the number of visits to parks (and thus require facility maintenance). Additionally, furloughs add workload to supervisor's scheduling issues, finance, payroll and HR functions.		X		Budget savings. Total savings, can be more accurately calculated IF the BoT decides this is critical to implement. A rough estimate assuming 100 positions are affected, and assuming 5% net savings after CARES Act Unemployment and other costs, would be about \$300,000 in total savings, with about \$250,000 of that total accruing to the General Fund.	Timekeeping challenge. To the extent we lose staff from furloughs, it would result in: <ul style="list-style-type: none"> <li>• Extended recruitment</li> <li>• Cost of advertising for positions</li> <li>• Cost for new certifications</li> <li>• Cost to On-board new staff</li> <li>• Cost to train new staff</li> <li>• Loss of highly qualified staff to other jobs/organizations</li> <li>• Loss of offering scheduled classes based on positions specialty (ie – lifeguard training, swim instructors)</li> <li>• Not being ready to provide service to customers when we open facilities and programs begin</li> <li>• Loss of familiarity with residents/parents/families</li> </ul>	\$ 250,000
Total of potential actions for consideration later if necessary:									\$ 1,019,000
20	C	ALL	Implement 10% pay reduction for Town Administrator until the end of the year and 5% reduction in pay for all positions above pay grade 13 (exempting pay grades 13 and below is arbitrary, but is intended to apply the pay reduction to those most likely to be able to absorb it and exempt those who may be most likely to already be struggling to pay for housing and other basic necessities. The range for pay grade 13 is \$57,271-\$75,145). There are currently 56 employees at grade 14 or above. Excluding benefits, monthly savings of a 5% reduction for all but the TA and 10% for the TA would be approximately \$23,000, of which \$15,000 would benefit the General Fund. In other words, approximately 1/3 of such a reduction would not benefit the General Fund.		X		Short term budget savings. Estimated total savings of \$138,000 over 6 months, and of that total, \$90,000 would accrue to the General Fund, with the remainder spread across all other funds.	This really only postpones the cost, because eventually we need to pay competitive compensation or we lose good employees. Sends a very negative message to staff who have helped to conserve resources and acted as good stewards to create a healthy reserve to enable the Town to gradually transition to different service levels if that is ultimately necessary.	\$ 90,000
21	C	P&R	Reduce ECC operations and programs.		X		Short-term reduction in operating cost	Customers expect to be able to use the facility for health and fitness and need enough available hours in the day to allow for busy schedules. Lose members and revenue and possible demands for refunds. The savings from a facility standpoint are minimal.	\$ 65,000

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22	C	ALL	Implement 4 X 9 schedule and close specific facilities on Fridays or Mondays each week.		X		Reduces cost of salaries and benefits by unknown amount. Provides slightly extended hours on the days the Town facilities remain open.	If implemented, a four day/nine hours per day schedule would result in each employee receiving a 10% pay reduction. Closed facilities would not be accessible to public 40 hrs/week - some things will not get done; customer service and employee morale will be impacted. This would also contradict a guiding principle that talented, motivated, well-trained employees are the Town's most important asset.	Unknown; depends on timing & positions affected.
23	C		Layoffs. If laying off employees, the Town must comply with ADEA, ADA and FMLA, and new federal and State legislation.		X		Budget Savings	Lose great staff. Erie is growing and interest in the Town will likely only increase because it is such a desirable place to live (especially in terms of impacts of a pandemic). When it is necessary to fill positions, the expense of advertising, recruiting, evaluating candidates, hiring, onboarding, and training until the individual is fully up to speed is often 1.5-2.5 times the annual compensation of a position. These costs will offset any savings.	Unknown; depends on timing & positions affected.
24	C	All	Require eligible employees to take comp time instead of being paid for overtime.		X		Schedule flexing is already happening in all departments as much as possible.	Savings would be minimal because schedule flexing is already happening in all departments as much as possible. Could affect morale of employees as it results in heavy workload for staff who are not on comp time. If comp time builds up to a high level, it can become a budget liability that offsets savings. This is not an option in all departments as some have required minimum staffing levels.	Minimal. This is already being done to the greatest extent possible.