



TOWN OF ERIE

645 Holbrook Street
Erie, CO 80516

Town Council

Board Meeting Date: 11/9/2021

File #: 21-486, **Version:** 1

SUBJECT: GENERAL BUSINESS

PUBLIC HEARING: An Ordinance of the Board of Trustees of the Town of Erie Summarizing Expenditures and Revenues for each Fund and Adopting a Budget for the Town of Erie for the 2022 Budget Year

DEPARTMENT: Finance

PRESENTER: Malcolm Fleming, Town Administrator
Candice Huot, Finance Manager

TIME ESTIMATE: 20 minutes

FISCAL SUMMARY:

The budget provides funding for all Town of Erie programs, services, capital projects and initiatives in 2021. The budget reflects revenue in all funds totaling \$104.6 million, and expenditures in all funds totaling \$136.7 million. Expenditures exceed revenues because the Town will be completing several large capital projects for which the Town has accumulated funding rather than borrowing and incurring the cost of debt service. For the General Fund, the 2022 budget reflects a surplus (revenues exceeding expenditures) of approximately \$10,000, compared to a 2021 projected use of fund balance of approximately \$7.7 million. As a result, staff projects the General Fund will end 2022 with a "spendable fund balance" of approximately \$22 million, compared to \$22.8 million projected at the end of 2021 primarily due to the increase in advances to the URA. The 2022 "spendable fund balance" amounts to 64% of total personnel & operating expenditures (excluding capital and debt service expenditures) at the end of 2022, compared to 80% for 2021, primarily due to the change in the way we present overhead/indirect allocation.

STAFF RECOMMENDATION:

Conduct the Public Hearing, consider testimony, direct any changes to the budget as necessary, and approve the ordinance that adopts the 2022 Budget.

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

Town Code specifies the Town Administrator shall cause a proposed budget to be prepared and submitted to the Board of Trustees annually, and be responsible for the administration of the budget after its adoption. Through this agenda item staff submits the final proposed 2022 budget to the

Board, requests a Public Hearing on the proposed budget, and asks for Board approval of the Ordinance that summarizes the expenditures and revenues for each fund for the calendar year 2022.

The Board received the preliminary proposed 2022 budget on October 15, 2021 and staff originally planned to discuss this matter with the Board during a study session on October 19 and tentatively scheduled additional discussion if needed for November 2. The Board cancelled the October 19 study session and rescheduled the initial discussion of the budget for November 2.

After the Public Hearing, if the Board is satisfied with the Budget as proposed, or if there are only minor changes, the Board can adopt the Budget and staff can incorporate any minor changes into the final version of the Budget Ordinance. However, as a result of the schedule changes noted above, if the Board desires significant changes to the budget after the Public Hearing, it may be necessary for staff to have additional time to update all the budget schedules and have the Board take final action on the Budget during the Board's December 14 meeting.

The attached budget reflects projections of revenues and expenditures based on the latest actual numbers in each category, the certified assessed property valuations recently received from Boulder and Weld Counties, and Board direction during study sessions and the Issue Prioritization Exercise the Board completed in August. The attached budget overview and schedules provide a narrative overview of the budget, a summary of changes in fund balance/working capital in all funds, and summary and detailed budget schedules.

No funds will end 2022 with a negative fund/working capital balance.

Board Priorities 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

ATTACHMENTS:

1. Ordinance 40-2021
2. Budget Overview Memorandum
3. Presentation
4. 2021 & 2022 Budget Schedules