



TOWN OF ERIE MEMORANDUM

TO: Town Council
Malcolm Fleming, Town Manager

Copy: Town Clerk's Office

FROM: Sara Hancock – Director of Finance
Cassie Bethune – Budget & Fiscal Manager

DATE: April 22nd, 2025

SUBJECT: Spring Supplemental Appropriation – 2025

We are pleased to present the Town Council with the Spring Supplemental Appropriation Request to amend the 2025 Town Budget.

The Town of Erie adopted the 2025 Budget on November 12, 2024. At least twice-yearly, staff reviews the Adopted Budget and year-to-date actual revenues and expenditures to determine if changes to the Adopted Budget are required. Based on these reviews, staff proposes supplemental appropriations to update the budget to reflect actual revenues and expenditures of the prior and current year, year-to-date Town Council actions, and projected revenues and expenditures for the remaining fiscal year.

The first supplemental, typically presented in the spring, primarily consists of rollover appropriations that were approved for the prior year budget and new expenditures arising since approval of the original budget. The second, usually presented in the fall, includes various adjustments that could not be anticipated when the original budget was prepared.

Accompanying this memo are various schedules, described below. This memorandum and the attached schedules provide information on all significant changes. Changes are split out by new requests, rollover requests, and transfers of existing appropriations between budget line items. Although some data is presented as the total of all funds, each fund is independent of the other funds.

The following schedules are included in this packet:

- Fund Summary
- Summary of requested changes
- Detail of requested changes
- 2025 Spring Supplemental Capital Project summary

In addition, at the end of this memorandum you will find a brief explanation of why the Town uses fund accounting and the purposes of the various funds of the Town.

Revenues Changes:

At this time, staff projects 2025 total General Fund revenues will be approximately \$63.9 million, resulting in a slight increase compared to the projection in the adopted budget due to interfund transfers. Overall, the total revenue change for all Town funds is \$1.97 million.

Significant revenue changes are as follows:

- In the Grants fund, \$1.67M in new grants revenue is expected to offset grant expenses, specifically relating to Charge Ahead Grant, BoCo Climate Action Plan, E-Cargo Bike Grant Program, CDOT, DOLA and ARPA-funded projects.

Expenditures Requests:

As a result of the spring supplemental requests, the total expenditures for 2025 across all funds are projected to increase by \$145.6 million compared to the Adopted Budget, \$139 million of which increase from rollovers. The General Fund total expenditures increased by \$2.48 million compared to the Adopted Budget.

Significant new expenditure requests are as follows:

Personnel Expenditures:

There were no new position requests for this supplemental.

Operating Expenditures:

The total spring supplemental changes in operating expenditures are approximately \$1.8 million across all funds, \$1.5 million of which is in the General Fund.

Significant operating requests are as follows:

- Environmental Services - \$10k for Consultation Services with United Power for the Street Light Acquisition project
- Planning and Development -
 - \$167k for the 2024 CDBG Grant
 - \$855k rollover from 2024 for land acquisition, due diligence and incentives for Affordable Housing
- Parks and Recreation - \$8k for the E-Cargo Bike Grant Program
- Public Works -
 - \$802k for insurance claims from the 2023 hailstorm
 - \$122k for consultation services for the transportation division to support the Vista Parkway Safety Study, Transportation Software, and the BoCo Transit project (grant funded)
 - \$108k for vehicle maintenance services on additional vehicles added to the fleet

- \$175k for Bus Stop Design services
- Police - \$15k for replacement of ballistic helmets
- Communications and Community Engagement - \$72k for town-wide resident survey

Capital Expenditures:

The total changes in the spring supplemental for capital expenditures across all funds is \$142.8 million.

The total spring supplemental new requests for capital expenditures across all funds is \$4.2 million, \$411k of which is in the Capital Improvements Fund.

The total spring supplemental rollover requests for capital expenditures across all funds is \$138.6 million, \$9.1 million of which is in the Capital Improvements Fund.

Significant changes are as follows:

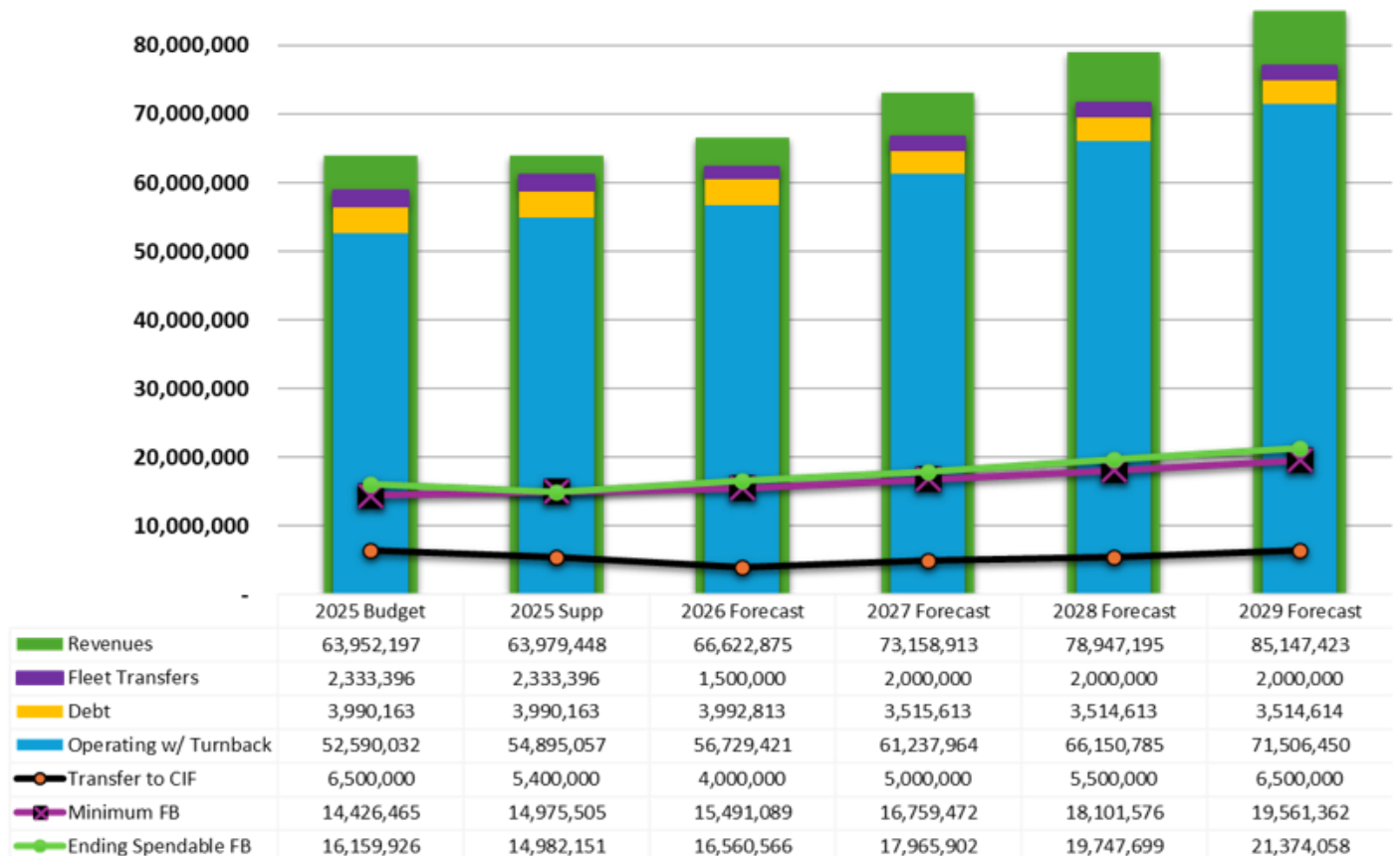
- Capital Improvement Fund –
 - \$411k for Xcel Energy Reinforcement contract
 - \$63k for the Charge Ahead 2025 Grant
 - \$2.5 million rollover for the Street Lights Acquisition project
 - \$1.1 million rollover for the Weld County Road (WCR) 3 Bridge Replacement project
 - \$2.2 million rollover for the Town Hall Expansion project
 - \$538k for LAWSC additional space and security
 - \$338k for LAWSC office remodeling
 - \$337k for Page Property final design
- Trails and Natural Areas Fund - \$1 million rollover for Construction on Schofield Farm
- Transportation Impact Fund – \$6.7 million rollover for Construction on Town Center
 - \$2.1 million for North Roundabout for finalizing design and land acquisition
 - \$4.5 million for South Roundabout, expected to go out to bid in spring 2025
- Water Fund - \$62 million rollover for Zone 2 and Zone 3 Water Tank projects
 - \$50k for the Erie Coal Creek Ditch Headgate survey
 - \$40 million for Zone 2 – acquisition of land and pipeline, design and construction of water tank
 - \$22 million for Zone 3 – for land acquisition and design of water tank and waterline
- Storm Drainage Fund - \$2.1 million for Drainage Facility Maintenance and Repairs
- Parks Improvement Fund - \$9.1 million for Redevelopment of Schofield Farm

- Police Facilities Impact Fund – \$3.7 million for design and construction of the PD/ Courts Expansion

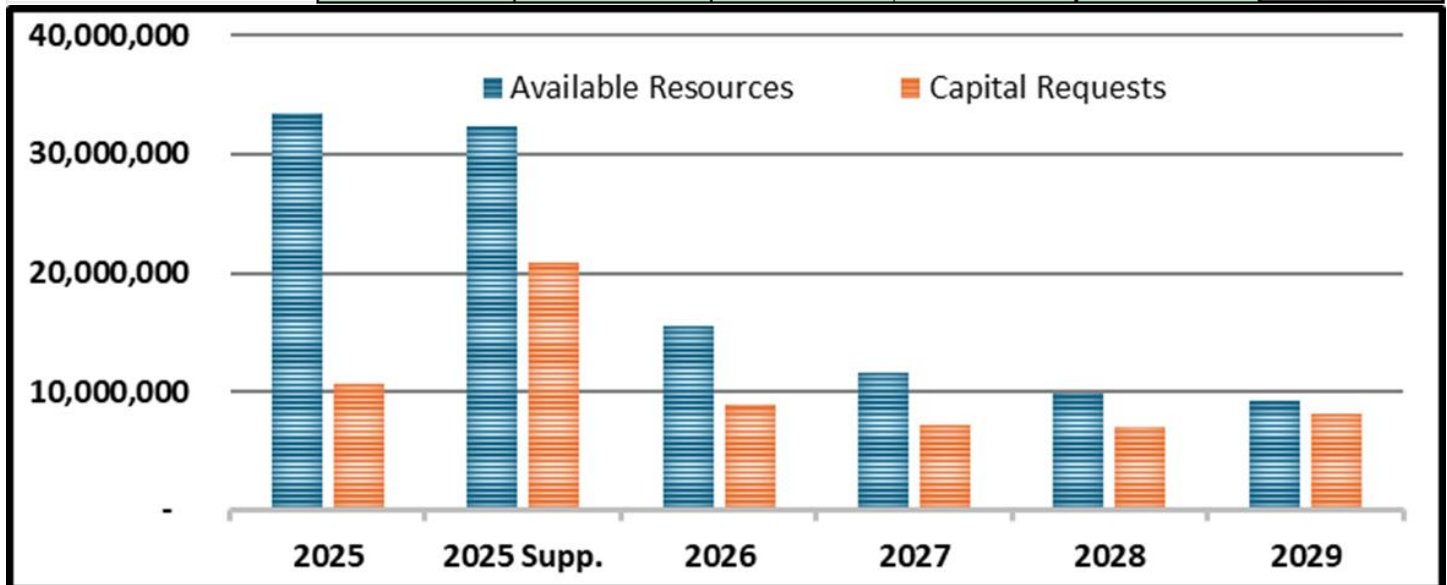
Conclusion

As a result of the foregoing, the spring supplemental forecast reflects a \$2.63 million use of fund balance in the General Fund and a decrease of \$1.1 million in the projected transfer to the new Capital Improvement Fund (CIF), primarily due to new operating requests. The graph & table below shows the General Fund forecast followed by the General Capital Improvement Fund forecast.

General Fund	2025 Budget	2025 Supp	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Beginning FB (B)	20,949,866	20,949,866	19,488,472	19,889,112	21,294,448	23,076,245
Revenues	63,952,197	63,979,448	66,622,875	73,158,913	78,947,195	85,147,423
Debt	3,990,163	3,990,163	3,992,813	3,515,613	3,514,613	3,514,614
Operating Expenditures	56,854,089	59,346,008	61,329,104	66,203,204	71,514,363	77,304,270
7.5% Operating Turnback	(4,264,057)	(4,450,951)	(4,599,683)	(4,965,240)	(5,363,577)	(5,797,820)
Fleet Transfers	2,333,396	2,333,396	1,500,000	2,000,000	2,000,000	2,000,000
Transfer to CIF	6,500,000	5,400,000	4,000,000	5,000,000	5,500,000	6,500,000
Total Expenditures	58,913,591	66,618,616	62,222,234	66,753,577	71,665,398	77,021,064
Change in Fund Balance (A)	5,038,606	(2,639,168)	4,400,641	6,405,336	7,281,797	8,126,359
Ending FB (A)+(B)=(C)	25,988,472	18,310,697	23,889,112	26,294,448	28,576,245	31,202,604
Restricted (D)	3,328,546	3,328,546	3,328,546	3,328,546	3,328,546	3,328,546
Ending Spendable FB (C)-(D)=(E)	16,159,926	14,982,151	16,560,566	17,965,902	19,747,699	21,374,058
Minimum FB	14,426,465	14,975,505	15,491,089	16,759,472	18,101,576	19,561,362
Unassigned Fund Balance	1,733,460	6,646	1,069,477	1,206,430	1,646,123	1,812,696



	2025 Adopted	2025 1st Supp.	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
CIF Beginning FB	27,000,000	27,000,000	11,469,372	6,581,014	4,393,176	2,765,196
General Fund Transfer	6,500,000	5,400,000	4,000,000	5,000,000	5,500,000	6,500,000
Rollovers		9,079,005				
New Requests		411,418				
Interfund Transfers		785,000				
Original Capital Budget	10,655,205	10,655,205	8,888,358	7,187,838	7,127,980	8,110,463
Total Capital Budget	10,655,205	20,930,628	8,888,358	7,187,838	7,127,980	8,110,463
CIF Ending FB	22,844,795	11,469,372	6,581,014	4,393,176	2,765,196	1,154,733



Fund Accounting:

A key requirement of governmental accounting is to determine and demonstrate compliance with finance-related legal and contractual provisions. To accomplish these goals, governments use fund accounting. A fund is a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations.

For example, the Town has established the Trails and Natural Areas Fund to record receipts of dedicated property taxes for trails and natural areas, open space fees-in-lieu received from developers and investment earnings on unspent funds, among other revenue sources. Expenditures by this fund are for approved purposes such as the purchase of open space, construction of trails, and maintenance of trails and natural areas.

The Town has the following funds, grouped by type of fund:

The **General Fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in one of the following funds.

The **Capital Improvement Fund** is the Town's primary capital improvement project fund. It accounts for most major capital projects, both ongoing maintenance and one-time, that operate in alignment with General Fund projects or do not align with other dedicated or enterprise funds.

Special Revenue Funds - Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Trails and Natural Areas Fund: Accounts for property tax revenues and other restricted revenues used to acquire and construct trails; to acquire and develop natural areas for public use; and for maintenance of trails and natural areas.

Conservation Trust Fund: Accounts for revenues received from the Colorado State Lottery proceeds through the State's Conservation Trust Fund. It is used to acquire, develop, and maintain new conservation sites; and for capital improvements or maintenance for recreational purposes on any public site.

Cemetery Fund: Accounts for revenues received from plot purchases at the municipal cemetery. Money is used for perpetual care expenditures at the cemetery.

Impact Fee Funds – Impact fee funds (more accurately referred to as “capital project funds” from a formal accounting standpoint) are primarily used to account for the acquisition and construction of major capital facilities other than those paid for by the general fund, or the enterprise funds (see below).

Parks Improvement Impact Fund: Accounts for impact fee revenues, fees-in-lieu and reimbursements from developers and grants used to construct and acquire parks and related improvements.

Public Facilities Impact Fund: Accounts for impact fee revenues and grants used to construct and acquire public facilities.

Storm Drainage Impact Fund: Accounts for impact fee revenues used to acquire and construct the storm drainage system. See also “Storm Drainage Operating Fund” below.

Transportation Impact Fund: Accounts for impact fee revenues, fees-in-lieu and reimbursements from developers and grants used to construct and acquire transportation system enhancements.

Tree Impact Fund: Accounts for impact fee revenues used to acquire and plant trees in public locations, and to issue certificates for tree purchases to homeowners of newly constructed homes.

Enterprise Funds - Enterprise funds are used for the Town's ongoing activities which are similar to those found in the private sector. These funds are generally expected to be self-supporting. Among other restrictions, no more than 10% of their revenues can come from state or local governments (including the Town) to support their activities.

Water Fund: Accounts for the acquisition, treatment, and distribution of the Town's water supply. Includes all water-related revenues (tap fees, water resource fees and user fees), along with associated personnel, operating, capital and debt service expenditures.

Wastewater Fund: Accounts for the collection and treatment of wastewater in the Town's wastewater system. Includes all wastewater-related revenues (tap fees and user fees), along with associated personnel, operating, capital and debt service expenditures.

Storm Drainage Operating Fund: Accounts for charges received from system users, used to construct and maintain the storm drainage system. Includes all storm drainage-related revenues (user fees), along with associated personnel, operating, capital and debt service expenditures. Also includes transfers of impact fees from the Storm Drainage Impact Fund to help construct growth-related capital projects.

Airport Fund: Accounts for airport fees received from the airport management company and airport users, as well as proceeds from federal and state aviation grants (the primary source of revenues for this fund). These revenues are used primarily for airport capital projects.

Internal Service Funds – In 2019 the Town created its first internal service fund – the Fleet and Equipment Acquisition Fund ("Fleet Fund"). Internal service funds are funds that primarily provide services to other parts of the government. The Fleet Fund will be used for the purchase of new and replacement vehicles and heavy equipment, along with an ongoing funding plan to provide for future acquisitions as needed.

Fund Balance/Working Capital – Two other key terms to understand are *fund balance* and *working capital* (in the case of proprietary funds). You will see these terms throughout budget reports (and the monthly board report). These amounts represent the accumulated revenues in excess of expenditures in each fund that are available for appropriation. (Note: Different terms and definitions are used in the audited financial statements, which in some cases will result in different amounts being reported in the audited financial statements from those presented in budget reports.)

Non-spendable components – are the portion of the fund balance that cannot be spent because of their form. This includes all but not limited to the following: Advance to the Urban Renewal Authority, TABOR Emergency Reserve as required by State statutes, Open Purchase orders, prepaid expenses, etc...

Available Fund Balance – is calculated by subtracting various non-spendable components from the Fund Balance.