



Budget, Fiscal Condition, and Major Capital Projects Strategy

January 21st, 2025



Agenda

- **2025 Budget Summary**
 - **Process and Priorities**
 - **All Funds Summary**
 - **General Fund Summary**
 - **Revenue & Expenditure Assumptions**
- **Long-Term Financial Plan**
- **CIP Summary**
- **Town Staff and Consultant Work on Facility Needs**
- **Questions & Comments**



Town's Budget Process

- **February – Budget Kick-off**
- **Spring:**
 - **Staff Training**
 - **Fleet & Capital Requests**
 - **Draft Forecasts**
- **Summer:**
 - **Operating & Personnel Requests**
 - **Year-Estimates & Revenue Projections**
- **Fall:**
 - **Budget review, prioritization, balancing, forecasting updates**
 - **Study Sessions with Council**
 - **1st Reading of Budget & Public Hearing**
- **Winter:**
 - **Final Changes from Council**
 - **Budget Adoption & Fee Updates**
 - **Mill Levy Certification**



Community Priorities - Summarized

- Managing growth to make Erie even better, not just bigger
- Promoting a prosperous economy in which everyone can thrive
- Ensuring a safe, healthy, inclusive environment in which to live, learn, work, and play
- Providing high quality amenities and fostering more sustainable operations
- Being efficient, effective, and fiscally responsible



Budget & Long-Range Financial Plan



Fund Balance Summary

Changes in Fund Balances/Working Capital - 2025 Budget

2025 Budget	Beginning Balance	Revenues - Proposed	Expenditures - Proposed	Net Increase/Decrease	Restricted	Ending Balance
General Fund - 100	20,949,866	63,952,197	69,677,648	(5,725,451)	(3,328,546)	11,895,869
Capital Improvement Fund - 110	27,000,000	6,500,000	10,655,205	(4,155,205)	-	22,844,795
Grants Fund	-	2,422,500	2,422,500	-	-	-
Trails & Natural Areas Fund	7,214,677	3,079,000	2,887,659	191,341	-	7,406,018
Conservation Trust Fund	1,187,352	350,000	300,000	50,000	-	1,237,352
Cemetery Fund	418,048	-	-	-	-	418,048
Total Special Revenue Funds	8,820,077	5,851,500	5,610,159	241,341	-	9,061,418
Transportation Impact Fund	24,428,387	4,065,740	5,524,582	(1,458,842)	-	22,969,545
Public Facilities Impact Fund	3,780,414	2,615,920	4,377,512	(1,761,592)	-	2,018,822
Parks Improvement Impact Fund	14,371,926	1,650,940	-	1,650,940	-	16,022,866
Police Facilities Impact Fund	1,306,867	454,100	35,518,368	(35,064,268)	-	(33,757,401)
Tree Impact Fund	1,544,960	201,000	144,000	57,000	-	1,601,960
Storm Drainage Impact Fund	9,810,192	1,124,180	2,936,500	(1,812,320)	-	7,997,872
Fleet & Equipment Acquisition Fund	1,439,356	2,333,396	2,333,396	-	-	1,439,356
Total Capital Funds	56,682,102	12,445,276	50,834,358	(38,389,082)	-	18,293,020
Water Fund	135,757,881	31,285,800	64,980,284	(33,694,484)	-	102,063,396
Wastewater Fund	39,664,440	12,124,000	9,048,975	3,075,025	-	42,739,465
Storm Drainage Operating Fund	1,166,791	1,959,809	6,752,778	(4,792,969)	-	(3,626,178)
Airport Fund	187,127	491,545	535,390	(43,845)	-	143,282
Total Enterprise Funds	176,776,239	45,861,154	81,317,428	(35,456,274)	-	141,319,965
Totals	317,228,284	134,610,127	218,094,798	(83,484,671)	(3,328,546)	230,415,068



General Fund Summary

General Fund Beginning Balance	\$20,949,866
General Fund Revenues	\$63,952,197
General Fund Operating & Debt Expenditures	\$60,533,556
Transfers Out	\$9,144,092
Ending Fund Balance	\$15,224,415
Non-spendable Fund Balance	\$3,328,546
Budget Spendable Fund Balance	\$11,895,869
Forecast Spendable Fund Balance (includes 7.5% Turnback)	\$16,159,926



Revenue Projection Assumptions

- **Sales Tax 10%**
- **Property Tax 3%**
- **Use Tax 10%**
- **Recreation Fees 18%**
- **Building Permits 10%**
- **Utility Rates & Fees Updated Per 2024 Rate Study**

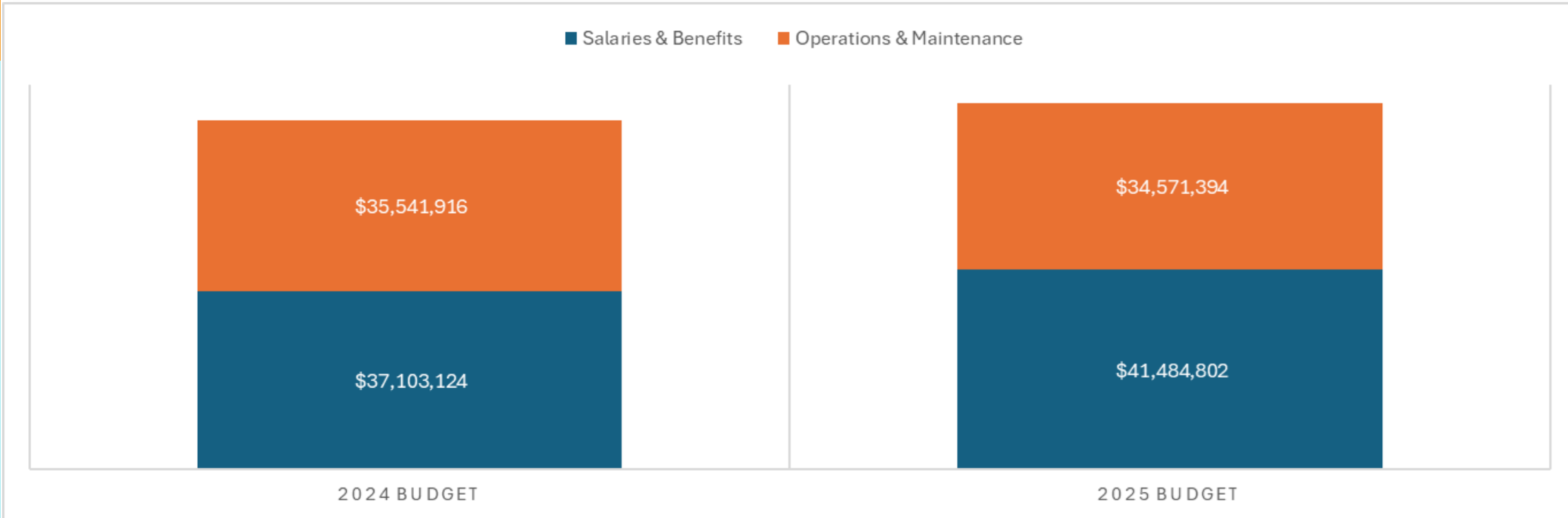


Expenditure Projection Assumptions

- **Personnel 10%**
- **Benefits 10%**
- **Operating Growth 4%**
- **Operating Turnback 7.5%**



Townwide Operating Expenditures

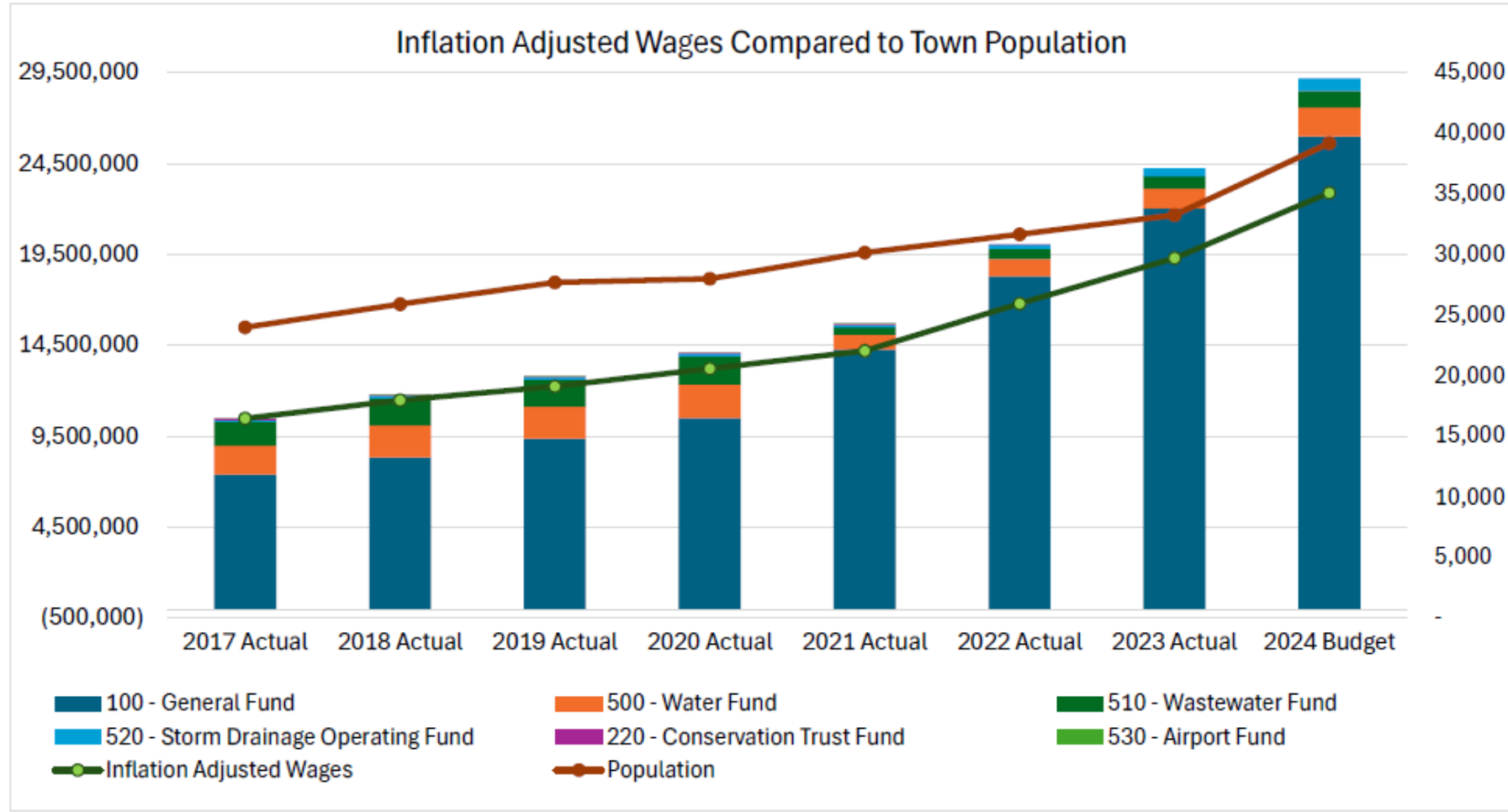


Expenditure Type	2024 Budget	2025 Budget	Change (\$)	Change (%)
Salaries & Benefits	\$ 37,103,124	\$ 41,484,802	\$ 4,381,678	12%
Operations & Maintenance	\$ 35,541,916	\$ 34,571,394	\$ (970,522)	-3%
Expenditures Total	\$ 72,645,040	\$ 76,056,196	\$ 3,411,156	5%
Positions	322	346	23.9*	7%

*Adding 14 new FT positions & 9.9 FTE



Townwide Operating Expenditures - Historical



General Fund Forecast

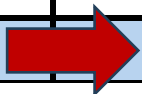
General Fund	2025 Adopted	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Beginning FB	20,949,866	19,488,472	19,889,112	21,294,448	23,076,245
Revenues	63,952,197	66,622,875	73,158,913	78,947,195	85,147,423
Debt	3,990,163	3,992,813	3,515,613	3,514,613	3,514,614
Operating Expenditures	56,854,089	61,329,104	66,203,204	71,514,363	77,304,270
Personnel	36,680,854	40,348,940	44,383,834	48,822,217	53,704,439
Operating	20,173,235	20,980,164	21,819,371	22,692,145	23,599,831
7.5% Operating Turnback	(4,264,057)	(4,599,683)	(4,965,240)	(5,363,577)	(5,797,820)
Fleet Transfers	2,333,396	1,500,000	2,000,000	2,000,000	2,000,000
Total Expenditures	58,913,591	62,222,234	66,753,577	71,665,398	77,021,064
Ending FB	25,988,472	23,889,112	26,294,448	28,576,245	31,202,604
Transfer to CIP Fund	6,500,000	4,000,000	5,000,000	5,500,000	6,500,000
Total Ending FB	19,488,472	19,889,112	21,294,448	23,076,245	24,702,604
Restricted	3,328,546	3,328,546	3,328,546	3,328,546	3,328,546
Ending Spendable FB	16,159,926	16,560,566	17,965,902	19,747,699	21,374,058
Minimum FB	14,426,465	15,491,089	16,759,472	18,101,576	19,561,362
Unassigned Fund Balance	1,733,460	1,069,477	1,206,430	1,646,123	1,812,696



General Fund Forecast



General Fund	2025 Adopted	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Beginning FB	20,949,866	19,488,472	19,889,112	21,294,448	23,076,245
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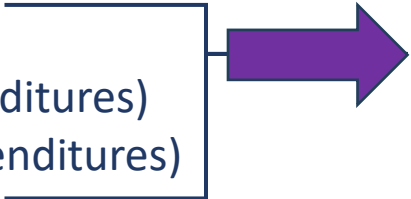




General Fund Forecast

To calculate the next year’s fund balance for the forecast:

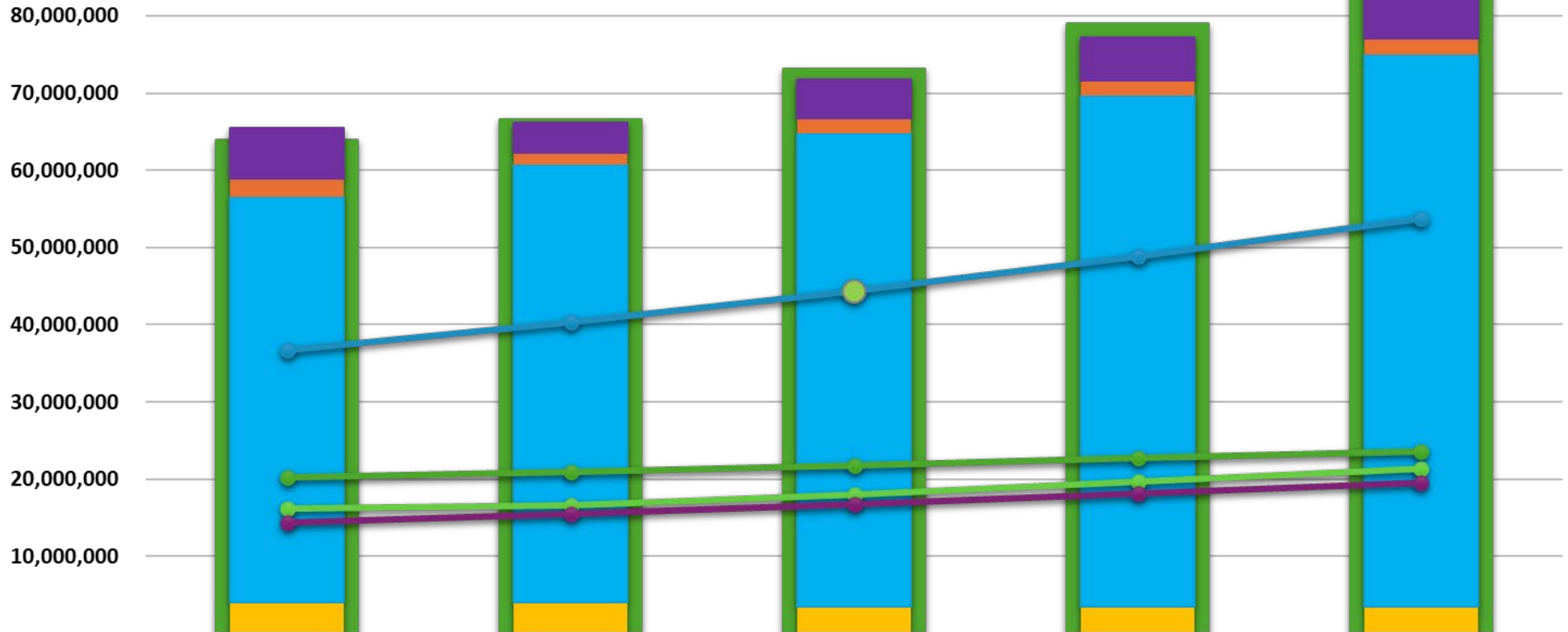
- Deduct CIP Transfer to CIP Fund from Ending Fund Balance
 - This gives us the 2025 Total Ending Fund Balance & 2026 Beginning Fund Balance
- Deduct Restricted Funds (interfund transfers, prepaid items)
- The Ending Spendable Fund Balance is a net of the Restricted and CIP Transfer from the Ending FB
- Reserves are included in the 2025 Total Ending Fund Balance and are calculated as follows:
 - TABOR (3% of projected revenues)
 - Emergency Reserve (12% of expenditures)
 - Stabilization Reserve (10% of expenditures)



General Fund	2025 Adopted
Ending FB	25,988,472
Transfer to CIP Fund	6,500,000
Total Ending FB	19,488,472
Restricted	3,328,546
Ending Spendable FB	16,159,926
Minimum FB	14,426,465
Unassigned Fund Balance	1,733,460



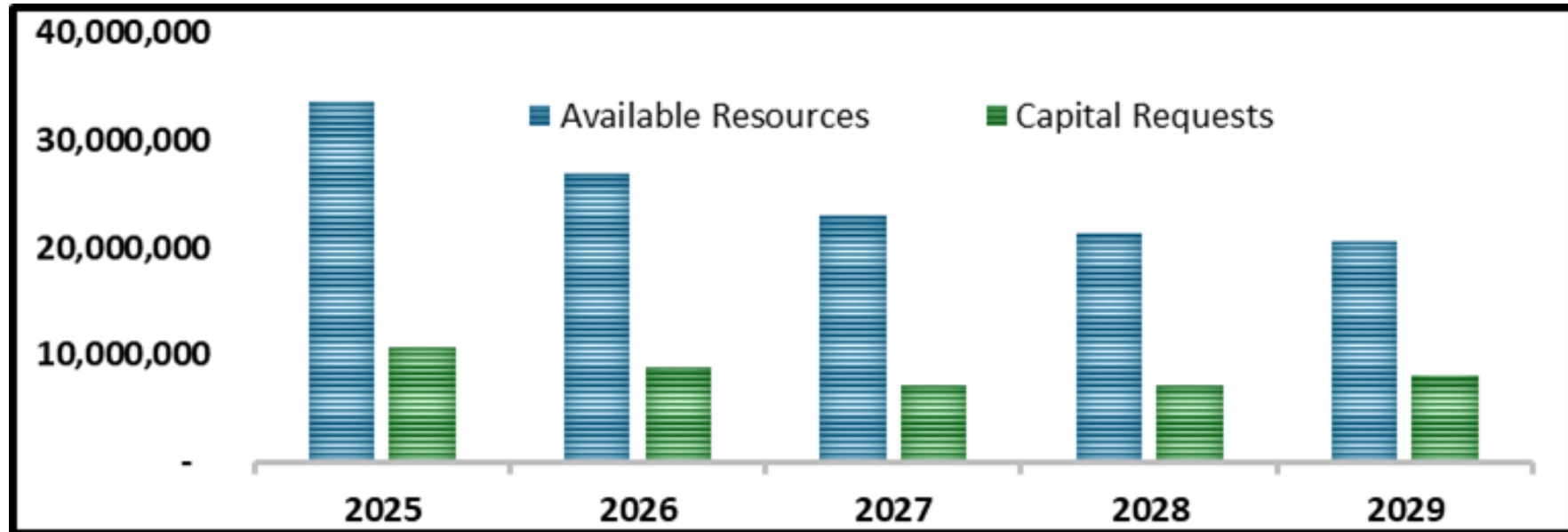
General Fund Forecast



	2025 Adopted	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Revenues	63,952,197	66,622,875	73,158,913	78,947,195	85,147,423
Transfer to CIP Fund	6,500,000	4,000,000	5,000,000	5,500,000	6,500,000
Fleet Transfers	2,333,396	1,500,000	2,000,000	2,000,000	2,000,000
Operating w/ Turnback	52,590,032	56,729,421	61,237,964	66,150,785	71,506,450
Debt	3,990,163	3,992,813	3,515,613	3,514,613	3,514,614
Personnel	36,680,854	40,348,940	44,383,834	48,822,217	53,704,439
Operating	20,173,235	20,980,164	21,819,371	22,692,145	23,599,831
Ending Spendable FB	16,159,926	16,560,566	17,965,902	19,747,699	21,374,058
Minimum FB	14,426,465	15,491,089	16,759,472	18,101,576	19,561,362



General Government CIP Forecast



	2025 Adopted	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
CIP Beginning FB	27,000,000	22,844,795	17,956,437	15,768,599	14,140,619
General Fund Transfer	6,500,000	4,000,000	5,000,000	5,500,000	6,500,000
Capital Requests	10,655,205	8,888,358	7,187,838	7,127,980	8,110,463
Total Capital	10,655,205	8,888,358	7,187,838	7,127,980	8,110,463
CIP Ending FB	22,844,795	17,956,437	15,768,599	14,140,619	12,530,156

Note: General Fund reserves of \$20M to \$25M (25% of expenditures) and CIP reserves of \$12.5M exceeds the previous \$7.5 million General Fund set aside requirement by \$5M in all years of the 5-year forecast, while also funding \$42M in Capital Projects from the General Fund over that period.

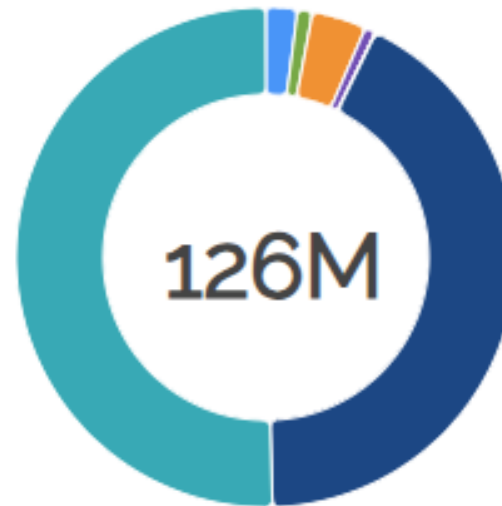


Capital Improvement Plan: 2025-2029



Capital Improvement Plan Summary

FY25 Total Funding Requested by Department

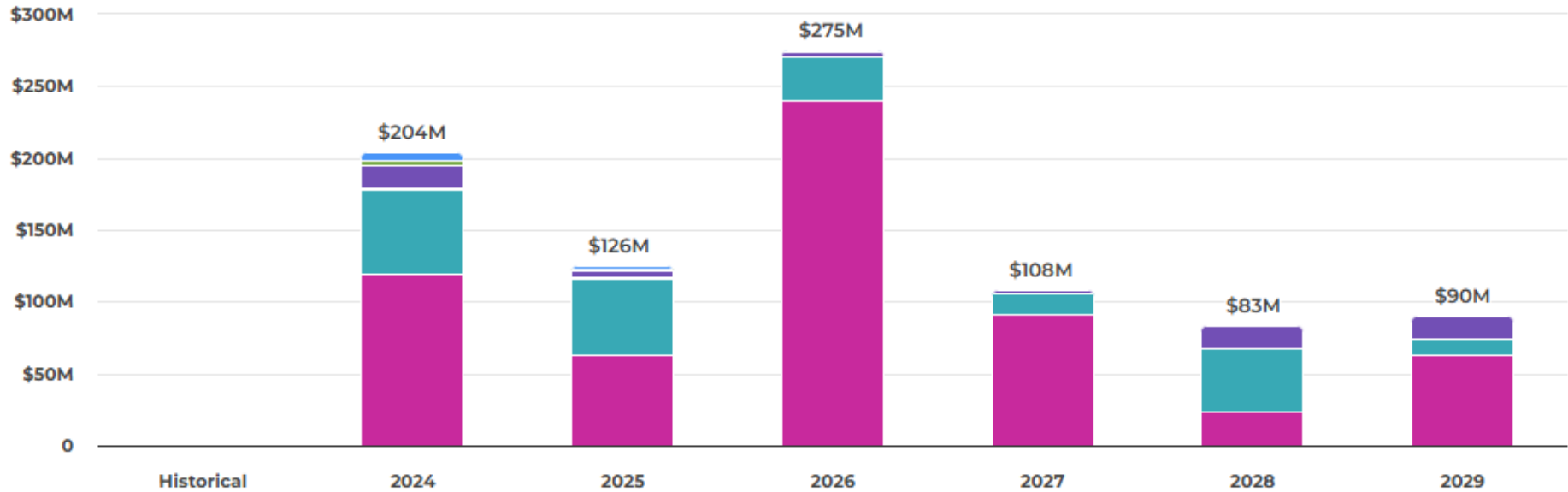


● Economic Development	\$2,550,000	2.03%
● Environmental Services	\$1,215,000	0.97%
● Parks & Recreation	\$4,417,591	3.52%
● Planning & Development	\$875,000	0.70%
● Police	\$50,906	0.04%
● Public Works	\$53,155,919	42.33%
● Utilities	\$63,314,760	50.42%



Multi-Year Plan – By Department

FY24 - FY29 Total Funding Requested by Department (including Historical)



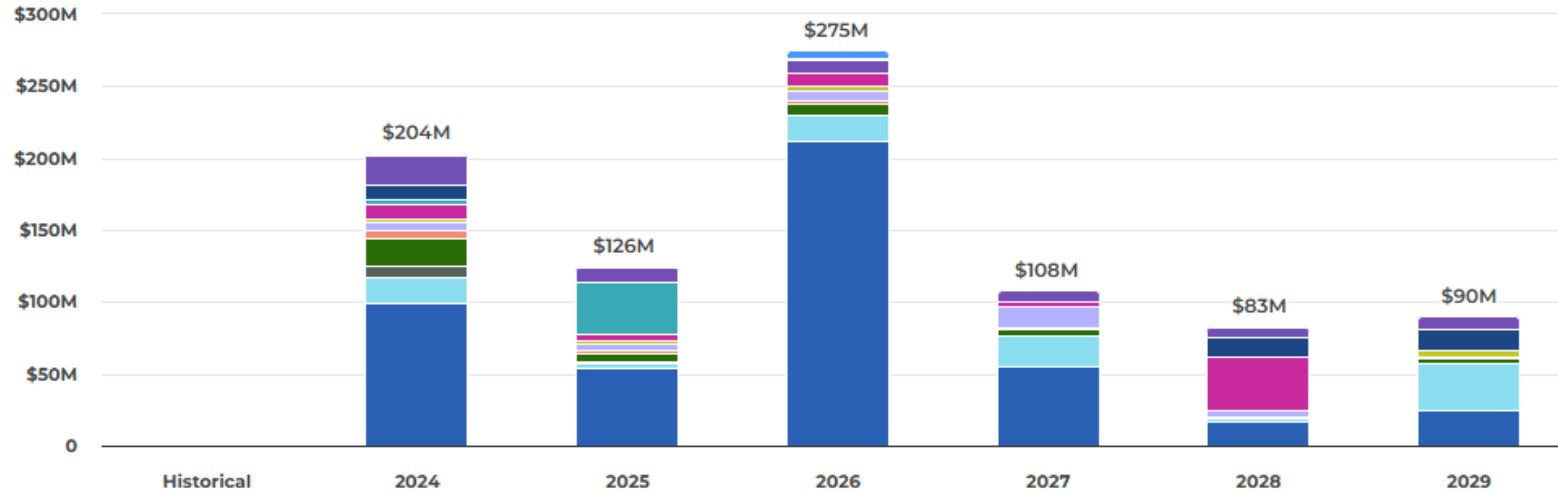
Funding by Department Totals (all years)

● Economic Development	\$9,014,820	1.02%
● Environmental Services	\$4,841,234	0.55%
● Information Technology	\$152,495	0.02%
● Parks & Recreation	\$57,270,907	6.46%
● Planning & Development	\$2,819,937	0.32%
● Police	\$320,306	0.04%
● Public Works	\$210,602,421	23.75%
● Utilities	\$601,737,487	67.86%



Multi-Year Plan – Funding Source

FY24 - FY29 Total Funding Requested by Source (including Historical)



Funding by Source Totals (all years)

● Airport Fund - 530	\$7,261,602	0.82%
● Conservation Trust Fund - 220	\$1,398,224	0.16%
● Fleet & Equipment Acquisition Fund - 400	\$3,579,453	0.40%
● General Fund - 100	\$62,656,582	7.07%
● Grants Fund - 205	\$118,403	0.01%
● Parks Improvement Impact Fund - 320	\$37,888,261	4.27%
● Police Facility Impact Fund - 325	\$39,353,468	4.44%
● Public Facilities Impact Fund - 310	\$64,831,542	7.31%
● Storm Drainage Impact Fund - 340	\$12,513,000	1.41%
● Storm Drainage Operating Fund - 520	\$37,087,239	4.18%
● Trails & Natural Areas Fund - 210	\$12,755,456	1.44%
● Transportation Impact Fund - 300	\$40,876,317	4.61%
● Tree Impact Fund - 330	\$300,000	0.03%
● Urban Renewal Authority Fund - 800	\$10,114,820	1.14%
● Wastewater Fund - 510	\$94,553,661	10.66%
● Water Fund - 500	\$461,471,579	52.04%



Capital Improvement Plan

Major 2025 Projects

Capital Improvements Fund - 110		
Department	Project Description	2025 Adopted
Public Works	Street Maintenance Projects	\$ 4,500,000
Econ Dev	Makerspace	\$ 1,200,000
Trails & Natural Areas Fund - 210		
Department	Project Description	2025 Adopted
Parks & Rec	Sunset Area Plan	\$ 1,973,583
Transportation Impact Fund - 300		
Department	Project Description	2025 Adopted
Public Works	CLR - Austin to Erie Parkway	\$ 2,600,000
Public Works	Town Center - North Roundabout	\$ 1,457,394
Public Facilities Impact Fund - 310		
Department	Project Description	2025 Adopted
Public Works	Page Property	\$ 3,667,000
Police Facilities Impact Fund - 325		
Department	Project Description	2025 Adopted
Public Works	PD/Courts Expansion	\$ 35,518,368
Storm Drainage Impact Fund - 340		
Department	Project Description	2025 Adopted
Utilities	Coal Creek Reach 2 and 4	\$ 2,936,500



Capital Improvement Plan

Major 2025 Projects

Water Fund - 500		
Department	Project Description	2025 Adopted
Utilities	Water Treatment Facility - New	\$ 19,000,000
Utilities	NISP	\$ 6,500,000
Utilities	Zone 2 Storage Tank	\$ 5,129,816
Utilities	Boulder Creek Diversion Structure and Conveyance Pipeline	\$ 2,650,000
Utilities	Erie Lake Repairs	\$ 2,400,000
Utilities	Zone 3 WCR7 Waterline Improvements	\$ 2,159,625
Utilities	Zone 2 Transmission Main 1st Phase	\$ 1,953,150
Utilities	Windy Gap Firming Project	\$ 1,853,000
Utilities	Zone 3 Water Tank	\$ 1,400,000
Env Services	Solar at Lynn R Morgan WTF	\$ 1,000,000
Utilities	Filly Lake Well System Pipeline Improvements	\$ 1,000,000
Wastewater Fund - 510		
Department	Project Description	2025 Adopted
Utilities	Solar at NWRP	\$ 1,000,000
Storm Drainage Operating Fund - 520		
Department	Project Description	2025 Adopted
Utilities	Coal Creek Reach 2 and 4	\$ 1,576,079



Facilities – Prioritization & Financing



Facility Needs – Prioritization of Needs

- **Town Hall:** Funded with cash and expected to be complete in 2025.
- **Public Safety Building:** Current facility was completed in 2015 for approximately \$6.9 million. Town debt was structured to retire the debt on the Community Center first; the debt for the PD Facility will retire in 2033. 2023 Council direction was to fund with Certificates of Participation.
- **LAWSC Building:** Given population growth, the facility must expand for additional staffing and equipment. Current and ongoing needs are under analysis with an operational consultant.



Facility Needs – Prioritization of Needs

- **Future Recreational Facility:** The ECC was built in 2008 and funded with a property tax increase and bonds. To serve the growing Town, it's necessary to either enlarge the current facility, build satellite facilities(s) in other areas of Town, or both. We will examine public/private opportunities.
- **Performing Arts Facility:** 2023 Community Survey respondents ranked this option as a high priority and 59% said they would support a tax/bond measure for such a facility. Financing options are being explored; there may also be private/public opportunities.
- **Airport:** Outstanding capital needs for the Terminal/FBO Building and additional emergency access to the runway. Consultants estimated rehabilitation or reconstruction of this building will cost anywhere from \$2.5M to \$3.6M in 2022 dollars based on a Facility Assessment. Staff is negotiating with the FBO operator to cover at least some of this cost. The estimated property acquisition cost for emergency access to the runway is \$1 million.



Facility Needs – Historical Context

- Unpredictable/fluctuating post-covid construction and CIP costs – 10 to 20% annually
- Worked with polling strategist in 2022
 - Rising property tax, HOA, & metro district dues
 - Reserve bonding/taxing questions for community-facing facility needs (rec center, aquatics, performing arts)
 - Explore ballot question for 2026
- Using existing funds without utilizing debt
- Change to CIP transfer and Established the CIP fund
 - Fund structure supports long-term capital planning strategy



Facility Needs – Cost Saving Alternatives

Page Property/Village at Coal Creek:

- Town acquired Page property remodel to convert house to Parks & Open Space offices and an addition to the house to accommodate all P&OS staff.
- Design includes a 5,000 s.f. climate-controlled shop for P&OS fleet maintenance.
- Investing in this project for P&OS operations pushes out need for LAWSC expansion to 2028.

Category	Historical	FY2024 <i>Proposed</i>	FY2025 <i>Proposed</i>	Total
Public Facilities Impact Fund - 310	\$0	\$0	\$3,667,000	\$3,667,000
Trails & Natural Areas Fund - 210	\$3,404,691	\$0	\$0	\$3,404,691
Grants Fund - 205	\$3,352,341	\$0	\$0	\$3,352,341
General Fund - 100	\$0	\$382,000	\$0	\$382,000
Total	\$6,757,032	\$382,000	\$3,667,000	\$10,806,032



Facility Needs – Cost Saving Alternatives

Schofield Property:

- Offices and meeting space completed and in use by Town staff
- Funds will be used to rehabilitate all identified historical structures, which will be used for programming and events.
- Additional improvements include a new trailhead, trail connections to the Erie Lake loop trail, waysides, improved drainage, improved staff/visitor access, and landscaping.

Category	Historical	FY2024 <i>Proposed</i>	Total
Parks Improvement Impact Fund - 320	\$487,184	\$9,345,000	\$9,832,184
General Fund - 100	\$1,116,297	\$83,200	\$1,199,497
Trails & Natural Areas Fund - 210	\$0	\$1,100,000	\$1,100,000
Total	\$1,603,481	\$10,528,200	\$12,131,681



Facility Assessment – Public Safety Building

Public Safety Building Expansion

- The Town population could more than double to 80,000 by 2050
- The 2012 design was for 50 officers, with no significant growth in non-sworn staff
- Current staffing is 47 officers and 13 non-sworn staff (60 total)
- With population growth and need for functional space, this was prioritized as a mission-critical financing need

Retrofitting costs on the building to date:

- \$315,062 – Various room expansions, conversions, and storage needs
- \$1,089,840 – Remodel of the court room and associated offices (in 2025, but only if needed due to project delays)



Design and Project Costs – Public Safety Building

2023 cost estimates:

- Design and other “soft” Costs: \$ 7,748,193
- Construction Costs: \$25,827,312
- Total 2023 Costs: \$33,575,000

- Construction costs are currently increasing by more than 10% annually
- Taking the \$33,575,000 and compounding this estimate by 10% each year translates into a final building cost of \$40,625,750

Design and Project Costs – Summary

Project	Proposed Revenue Source	2024	2025	2026	2027	2028	2029	Total Cost
Town Hall	Cash Funded - Multiple Funds	\$21,665,112						\$21,665,112
Public Safety Building	Debt - COPs	\$3,855,100	\$35,518,368					\$39,373,468
LAWSC Building	Public Facilities Impact Fund				\$3,049,730	\$37,420,124		\$40,469,854
ECC Expansion	Public Facilities Impact Fund		\$710,512	\$9,612,027				\$10,322,539
ECC Satellite Center	Conceptual/Planning					\$61,000,000		\$61,000,000
Performing Arts Facility*	Conceptual/Planning						\$60,000,000	\$60,000,000
Airport Terminal & Property Acquisition	General Fund Transfer			\$5,000,000				\$5,000,000

*These projects are in conceptual phase – the timing and cost are the current rough order of magnitude.



Funding Mechanisms

Type of Obligations Available to Colorado Local Governments

Financing Mechanism	Description	Revenue Repayment Source	Voter Approval
General Obligation (GO) Bonds	Secured by the full faith and credit of the issuer Issued for general governmental projects	Typically repaid from property tax revenues from a dedicated mill levy	Requires voter approval for debt and tax increase (one question)
Revenue Bonds – General Government • Sales Tax Revenue Bonds • General Fund / Limited Tax Bonds • Excise Tax Revenue Bonds	Issued for general governmental projects	New or renewed special taxes or fees (could be broad (i.e., general sales tax) or specific (i.e., lodger’s tax))	Requires voter approval for debt authorization Could have voter approval to implement new tax, extend existing tax, or increase existing tax rate
Revenue Bonds – Enterprise/Utility • Water / Wastewater / Stormwater Revenue Bonds • Electric / Power Revenue Bonds	Issued for projects supported by the revenue stream for repayment	Fees and charges of the Enterprise system	Does not require voter approval so long as it meets TABOR requirements and is not required in Charter
Certificates of Participation (COPs) & Leases	Lease purchase agreement with issuer-owned asset used as collateral; subject to annual appropriation	Generally available revenues of the issuer There is no direct revenue pledge but may internally allocate specific funds	Does not require voter approval as it is not considered a multi-year fiscal obligation



Funding Mechanisms

Considerations	Option 1 Certificates of Participation	Option 2 General Fund Revenue Bond	Option 3 Sales and Use Tax Bond (Broad Pledge)	Option 4 Sales and Use Tax Bond (Narrow Pledge)	Option 5 Unlimited Tax General Obligation Bond
Pledged Revenues	No directly pledged revenues; payments are subject to annual appropriation from generally available revenues of the Town	All generally available revenues of the Town that do not have a restricted use	All sales and use tax revenues including revenues from an increase to current sales and use tax rate (if asked)	Revenues from a newly approved sales and use tax (could be restricted in use/purpose)	Property tax revenues from a new, dedicated mill levy
New Revenue Source?	No	Not Required Could seek voter approval for revenue increase	Not Required Could seek voter approval for sales tax increase	Yes	Yes
Pros	- No tax increase - Not considered a multi-fiscal year obligation under TABOR so does not require a vote	- Broader revenue pledge - Town may internally identify specific source(s) for repayment - If accompanied by tax increase, could minimize impact on budget	- Relatively broad revenue pledge - If accompanied by tax increase, could provide budget flexibility	- New tax provides dedicated source of revenues for repayment of bonds - Does not impact use of existing Town revenues	- Creates a dedicated revenue stream for repayment from property tax revenues - Does not impact use of existing Town revenues
Cons	- Constrains current Town revenues for repayment - Limits ability for Town to utilize COPs for other projects	- If no corresponding tax increase, revenues to be used for debt service are currently used for operations of the Town	- If no corresponding tax increase, revenues to be used for debt service are currently used for operations of the Town	- Limited revenue stream / more narrow pledge	- Property tax increase; Town is legally required to levy mill to pay debt service
Assumed Rating	AA/Aa2	AA/Aa2	AA/Aa2	A+/A1 → AA-/Aa3	AA+/Aa1
Rating Notes	Ratings for COPs are one 'notch' below general obligation bond rating	Likely to be one notch below general obligation bond rating; could be instances where it is rated the same as a GO Bond	Anticipated ratings in mid-AA category based on current revenues and anticipated debt service coverage	Anticipated rating outcome would depend on anticipated coverage from the new tax pledged for repayment	Town currently has outstanding GO Bonds with this rating
Anticipated Borrowing Rate*	4.40%	4.35%	4.35%	4.50%	4.30%

* Borrowing rates reflect current market rates as of January 2025, per the Town's Bond Advisors



Current Process/Next Steps

- Town Hall
 - Project completion projected for late 2025
- Public Safety Building
 - Currently in design phase with project slated for construction in late 2025/early 2026
- LAWSC Expansion
 - Page/Village at Coal Creek and Schofield supported this project being pushed to design beginning in 2027
- ECC Expansion
 - Feasibility study scheduled for 2025, with design and construction planned for 2026/2027
- Performing Arts Center
 - Evaluation of performing arts center feasibility and financing options (ballot questions, public-private partnership)
 - Targeted polling for all facilities to determine voter appetite for tax increase
- Airport
 - Town and FBO operator exploring FAA grants for terminal building



Questions & Discussion