Town of Erie

645 Holbrook Street
Erie, CO 80516

Meeting Agenda

Town Council

Tuesday, August 18, 2026	6:00 PM	645 Holbrook Street

Study Session

Link to Watch Virtually: https://www.erieco.gov/CouncilMeeting

I. Discussion Items

A. 2027 Budget Study Session - Forecast and Assumptions

II. Adjournment

The Town Council's goal is that all meetings be adjourned by 10:30 p.m. 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.

Translation Services

Persons planning to attend the meeting who need sign language interpretation, translation services, assisted listening systems, Braille, taped material, or other accommodation should email the Town Clerk's Office or call 303-926-2710. Please submit requests at least 48 hours prior to the meeting.

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645 Holbrook Street
Erie, CO 80516

Town of Erie

Town Council

Meeting Date: 8/18/2026

File #: 2026-183

Subject:
2027 Budget Study Session - Forecast and Assumptions

Department: Finance,

Presenter(s): Sara Sands, Director of Finance

Time Estimate: 180 Minutes

Fiscal Summary:
Cost as Recommended:
Balance Available:
Fund:
Line Item Number:
New Appropriation Required:

Policy Issues:
The Town Council will ulitmatley approve the 2027 Budget after a full review and hearing process.

Staff Recommendation:
Staff requests feedback on revenue and expenditure assumptions for 2027.

Summary/Key Points:
Ahead of the formal presentation of the recommended 2027 Budget, Town staff is presenting information to support Council's desire to better understand revenue, expenditure trends for prior budgets, as well as the approach to the long-term financial forecast. The information contained in this presentation includes:

Historical Information

- Revenue and Expenditure Trends

- Staffing Trends

Long-Term Financial Strategy

- Forecast Assumptions
- Future Growth Projections

General Fund Projections

- Prioritization
- Major Capital Projects

Debt Capacity

- Balancing Strategies

Background of Subject Matter:
Revenues & Expenditures | Staffing

From 2016 to 2025, the Town of Erie grew rapidly, with the population increasing from approximately 22,400 to 42,000 over that span. This 7.2% average annual population growth had a tremendous impact on the Town's revenues and expenditures, both of which increased in alignment with population growth. Across all funds, revenues largely tracked population growth, with large jumps in 2022 and 2023 exceeding that benchmark. As a result, average revenue growth was 11.6% over this period. A similar trend occurred on the expenditure side, as the Town's staffing levels, operational expenses, and capital improvement plan grew to support the increased population's service needs. Expenditures grew an average of 14.3% over this period, and the large jumps in 2022 and 2023 can be attributed to elevated inflation which resulted in wage pressure for new and existing staff and higher costs across the board.

This trend of expenditures outpacing revenues was noteworthy but not immediately problematic due to the Town's strong reserves and economic environment. However, the situation changed in 2025, with inflation and an increasingly uncertain economic environment curtailing the Town's revenue growth. The Town adjusted by cutting back expenditure growth dramatically, limiting the increase in expenses across all funds to only 1.6%. However, year-to-date revenue trends indicate that the Town's revenues will continue to stagnate or even decline. Year-over-year sales tax growth is currently below 2%, while use tax and building permits have both fallen by over 40%. This new revenue environment necessitated the Town to pursue a budget with reduced operational expenses and slower personnel growth, which has been a primary driver of the increased expenditures for the Town in recent years.

Staffing increased substantially from 2021-2026. The Town has added 60.3 FTEs across all funds since 2021, with 31.6 of those paid by the General Fund. These additions are spread across all functions of the organization. Personnel is always a primary cost driver for municipalities and this significant increase in FTEs, while deemed necessary to provide high-quality services to a growing population, has resulted in continued expenditure growth for the Town. For the 2027 Budget, staff intend to minimize any new FTE requests, limiting additions only to those meeting a demonstrated need that impacts the health and safety of residents. Additionally, staff are working on organizing a staffing study with an outside consultant to review current staffing levels across the organization and assess their alignment with Council priorities and the Town’s financial capacity.

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, as well as 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 cash flow, 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 timelines adjusted, or be removed from the fund.

Forecast Assumptions

This year, the revenue forecast and reducing expenditures were the focus of budget development, as economic factors have become less predictable. Budget staff are in the second year utilizing a detailed scenario tool to evaluate what growth could be expected from key revenue sources, including property tax, sales, and use taxes. 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. This means 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 **2-3% 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 and lost productivity associated with excessive turnover. To be conservative, most revenues reflected the compressed collection trends in the sales tax data, which are likely a result of growing inflation. These assumptions are built into the forecast, and staff recommends the "Somewhat Constrained” scenario forecast. This is coupled with departments’ reductions of nearly 8% overall in the General Fund operating budget to slow spending and should provide a more stable forecast moving forward. The strategy is to prioritize core service and current service levels while assessing the less predictable economy.

Staff are seeking Council confirmation of this approach or feedback if Council wants staff to use a different scenario for developing the 2027 Budget process.

Prioritization of Capital Projects

While the 2027 Budget requests are not yet available for consideration, staff are seeking guidance on what types of projects to prioritize in the Capital Improvement Fund (CIF). Given that transfer funds to the CIF are limited and dependent on available unassigned operating funds from the General Fund, we must prioritize sustaining 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 Land Acquisition |** 2026, One-time
- **Mine Mitigation |** 2026, One-time
- **LAWSC Additional Space |** 2026, One-time
- **Street Light Acquisition |** 2026, 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 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 federal granting agencies and, currently, have no reason to believe any active grants are at risk.

Additionally, the Town is currently studying the implementation of a Transportation Maintenance Fee. This is a common funding source for street maintenance in Colorado and many of Erie's peers utilize it in lieu of a tax increase. A small fee is charged per resident on monthly utility bills to support ongoing street repaving and associated transportation operations. Staff have built an estimated collection of this fee into the 2027 Budget, and will be bringing a more concrete fee structure and implementation for Council consideration later this year.

Debt

Erie's General Obligation (GO) debt ratio remains very low, at 0.07. This does not include the 2026 issuance of the Certificates of Participation (COPs) issues for the Public Safety Building renovation. Under TABOR, COPs are not considered a long-term debt obligation and therefore are not included as a part of the calculated debt ratio. However, Erie does track the COP payment as a part of the Town's debt obligation as a best practice. In 2026, the Town will make the final payment for the GO Debt funded through a property tax mill levy and the debt will be closed for the Erie Community Center. The payment will then be transitioned to the Public Safety building GO debt, which will be paid off in 2033.

Overall, the Town's current General Fund debt is relatively low risk and represents core service and community priorities.

Voters will consider a Sales and Use tax increase on the November Ballot for a 0.501% increase to fund the Erie Community Center expansion and a portion of operating expenses dedicated to the Parks and Recreation department. The revenue forecast does anticipate the tax increase approval, as voters are showing strong support for the dedicated tax.

Balancing Strategies

In anticipation of economic uncertainty, the 2027 Budget was approached conservatively. Departments were given operational budget targets based on a **5% reduction** from their 2026 budgeted expenditure levels, excluding any one-time costs. After the first round of submissions, departmental operations budgets came in approximately $3 million over the targeted expenditure amount in the General Fund. Included in these requests were 22.5 full-time equivalent (FTE) staff. The Manager's Office and Executive Budget Team (EBT) asked departments to revisit their budgets and **reduce budgets by an additional 5%** while continuing to evaluate the feasibility of any position requests and how to balance the forecast beyond 2027.

Targeted areas for reduction include line items with 90% historical spending or less, food, travel, branded clothing, non-essential training and conferences, and non-critical projects or expenses. Additionally, departments with capital budgets have focused on funding critical maintenance and deferred new projects. This allows the Town to "right-size" the 2027 Budget while staff evaluate projects and programs against the flattening revenues and prepare for the new Town Manager's collaboration with Council to determine future direction.

Insurance expenditures, including medical, property, liability, and workers' compensation, are substantial cost drivers in the budget and their impact remains uncertain due to ongoing negotiations. These costs should be finalized in September/October and adjustments to the budget will be made at that time to maintain balance. For example, medical insurance is estimated to increase 18-22% from the current year's cost, but that increase is not finalized. Other current year, unbudgeted costs will also impact the available funds in 2027. These include the mineral rights due diligence phases 1 & 2 work, the potential special election costs for a voter-led referendum, and settlement costs and recruitment costs following the termination of the previous Town Manager. These costs will be addressed in the final supplemental of the year but currently remain volatile and could negatively impact the forecast.

Council Feedback

In summary, staff needs feedback in three areas to move forward on the 2027 Budget process. These areas include the following:

1. Are there priorities or projects missing that the Council would like to see prioritized?
    - 2027 focuses on core operations and current service levels.
    - Capital maintenance is prioritized in the CIF and Utility Funds.
    - Key focus on the expansion of the ECC.

2. Is there support for the recommended revenue and expenditure assumptions in the long-range forecast?
    - Staff is recommending budgeting revenue growth at "somewhat constrained" with 1-2% growth.
    - Staff will continue to monitor the sales tax trends for any significant shifts.

3. Are there any concerns about the tradeoffs and proposed fees?
    - Staff would like to transition to a 3-year balanced forecast.
    - Staff will bring a Transportation Maintenance Fee for consideration.
    - The 2027 Budget will be reduced to address shrinking revenue projections.

Attachments:

1. Presentation

Budget Forecast & Assumptions

Town Council

Aug. 18, 2026

Agenda

- Historical Information
  - Revenues/Expenditures
  - Staffing
- Long-Term Financial Strategy
- Forecast Assumptions
  - Future Growth Projections
  - General Fund Projections
- Prioritization
  - Major Capital Projects
- Debt Capacity
- Balancing Strategies
- Council Feedback

Council Feedback

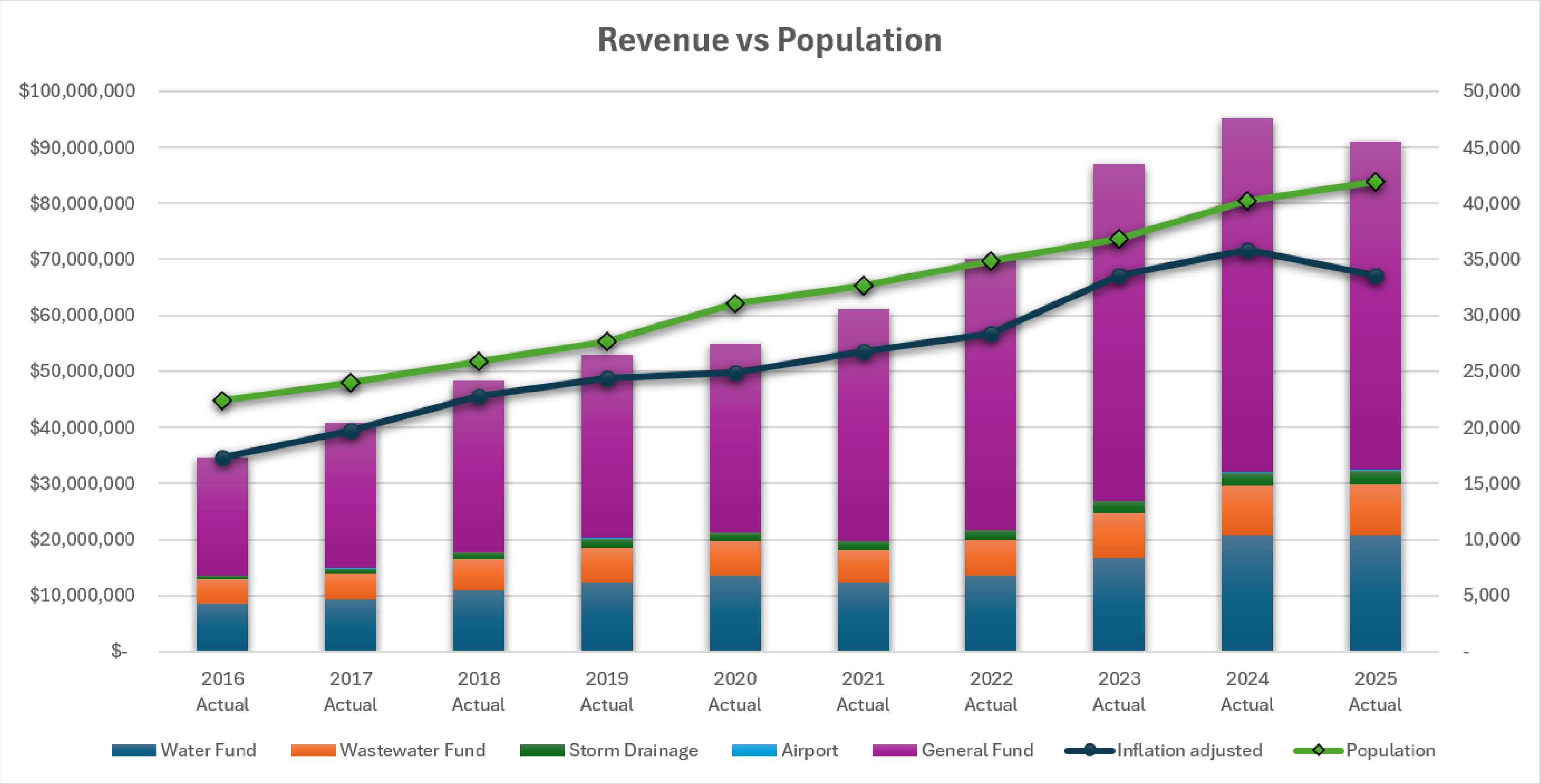
Are there priorities or projects missing that the Council would like to see prioritized?

Is there support for the recommended revenue and expenditure assumptions for the long-range forecast?

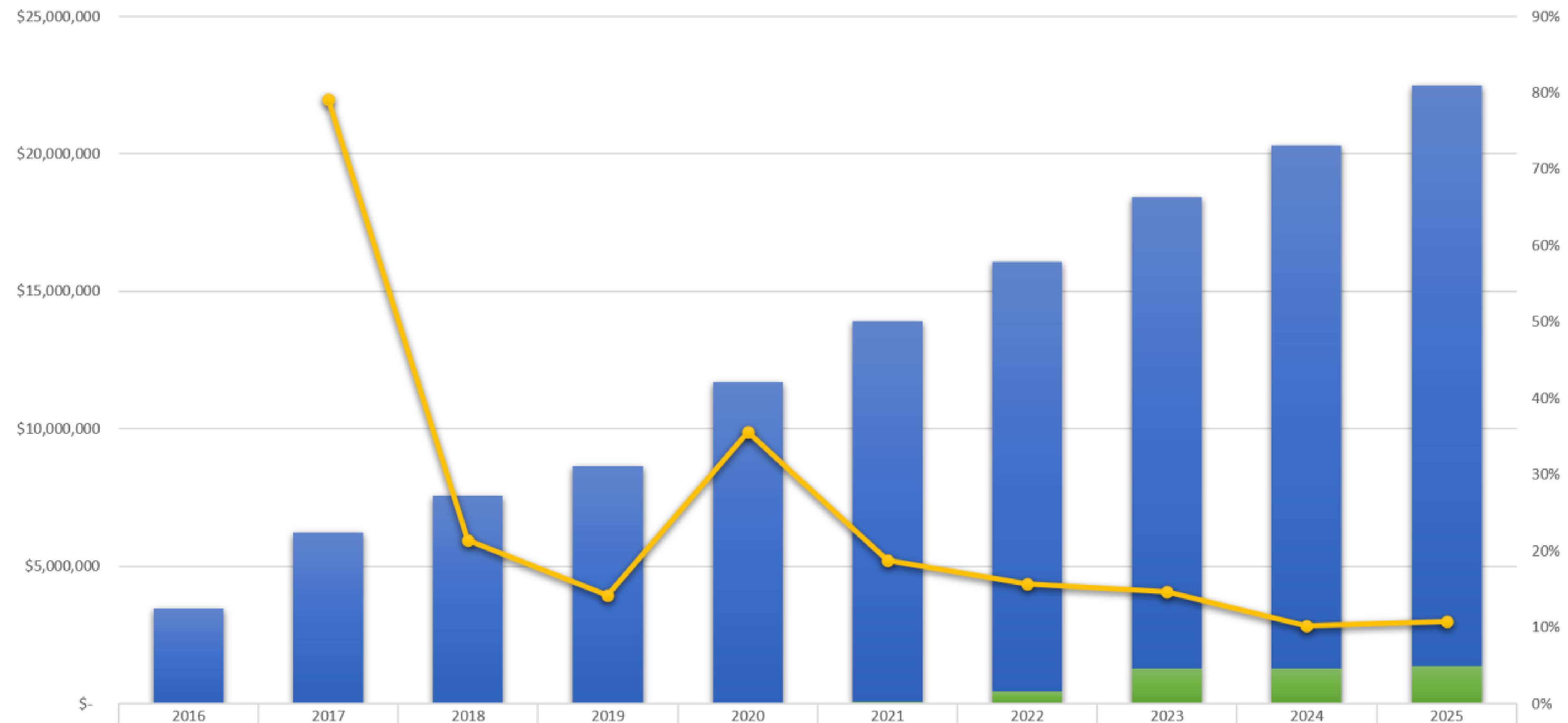
Any concerns on tradeoffs and proposed fees?

Revenue & Expenditure Trends

Revenues Trends & Population Growth

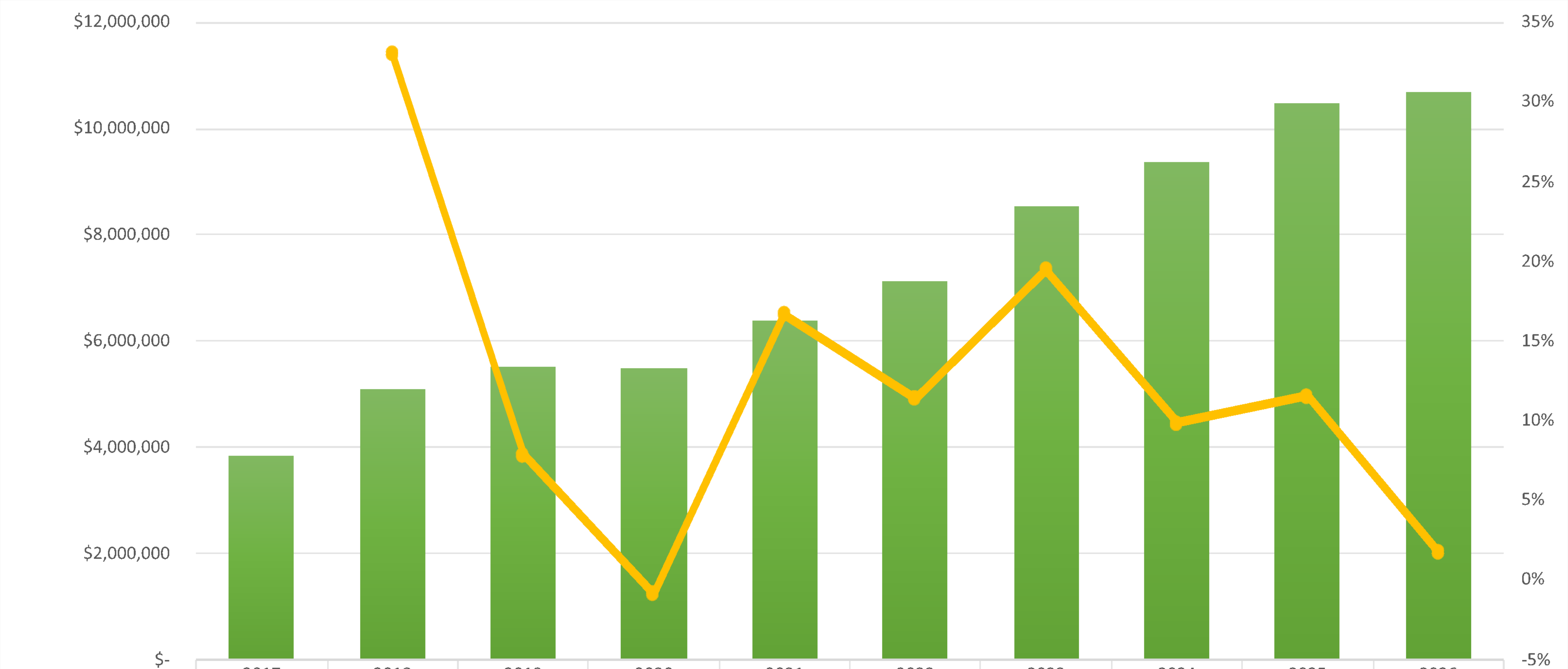


Sales Tax Trends by Fund



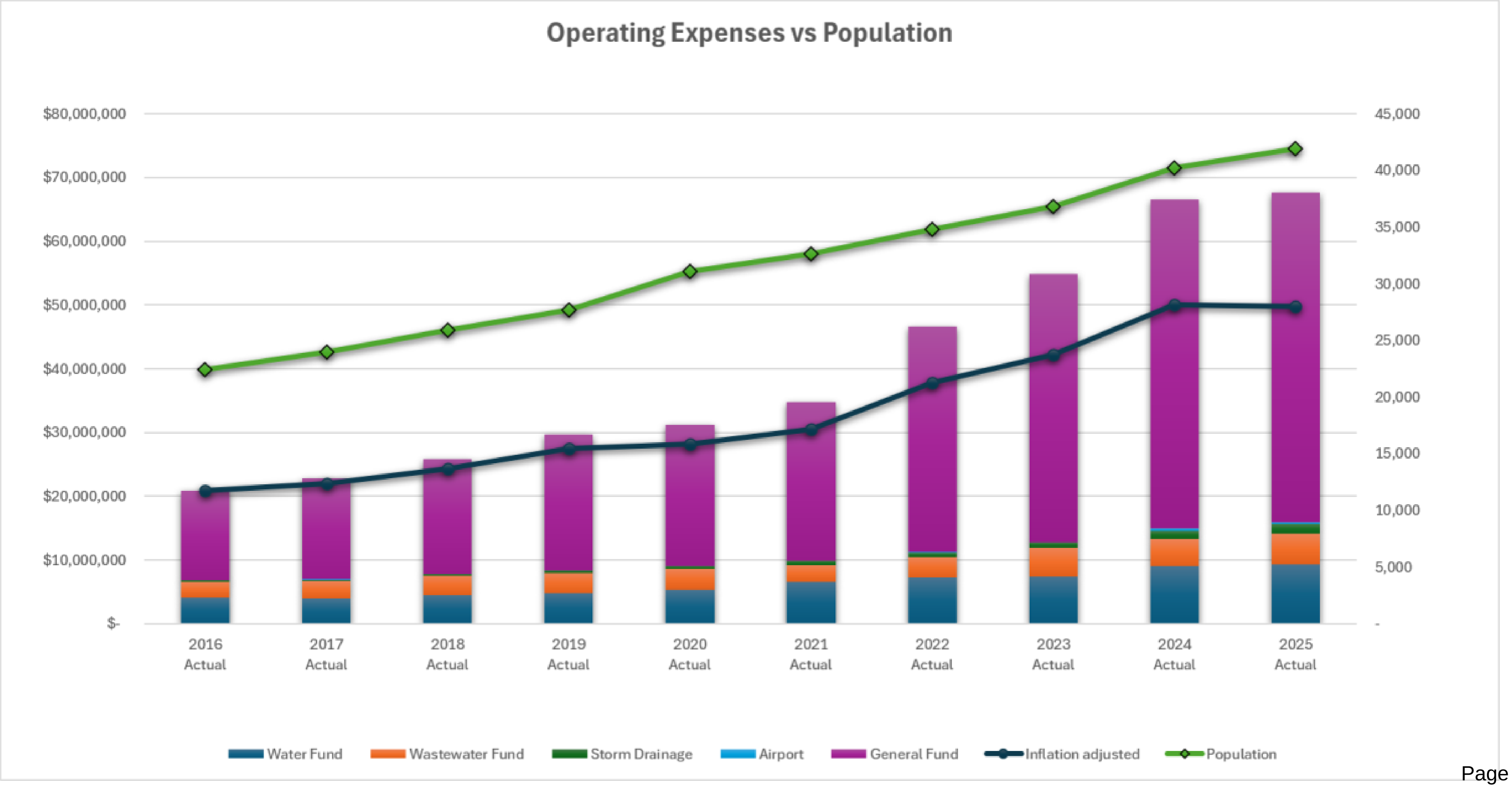
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General	$3,477,116	$6,227,907	$7,557,622	$8,631,808	$11,697,890	$13,838,743	$15,629,538	$17,163,799	$19,043,534	$21,115,861
URA	$-	$-	$-	$-	$5,060	$62,365	$451,449	$1,274,364	$1,270,028	$1,383,051
Total % Change		79.1%	21.4%	14.2%	35.6%	18.8%	15.7%	14.7%	10.2%	10.8%

Sales Tax Trends YTD

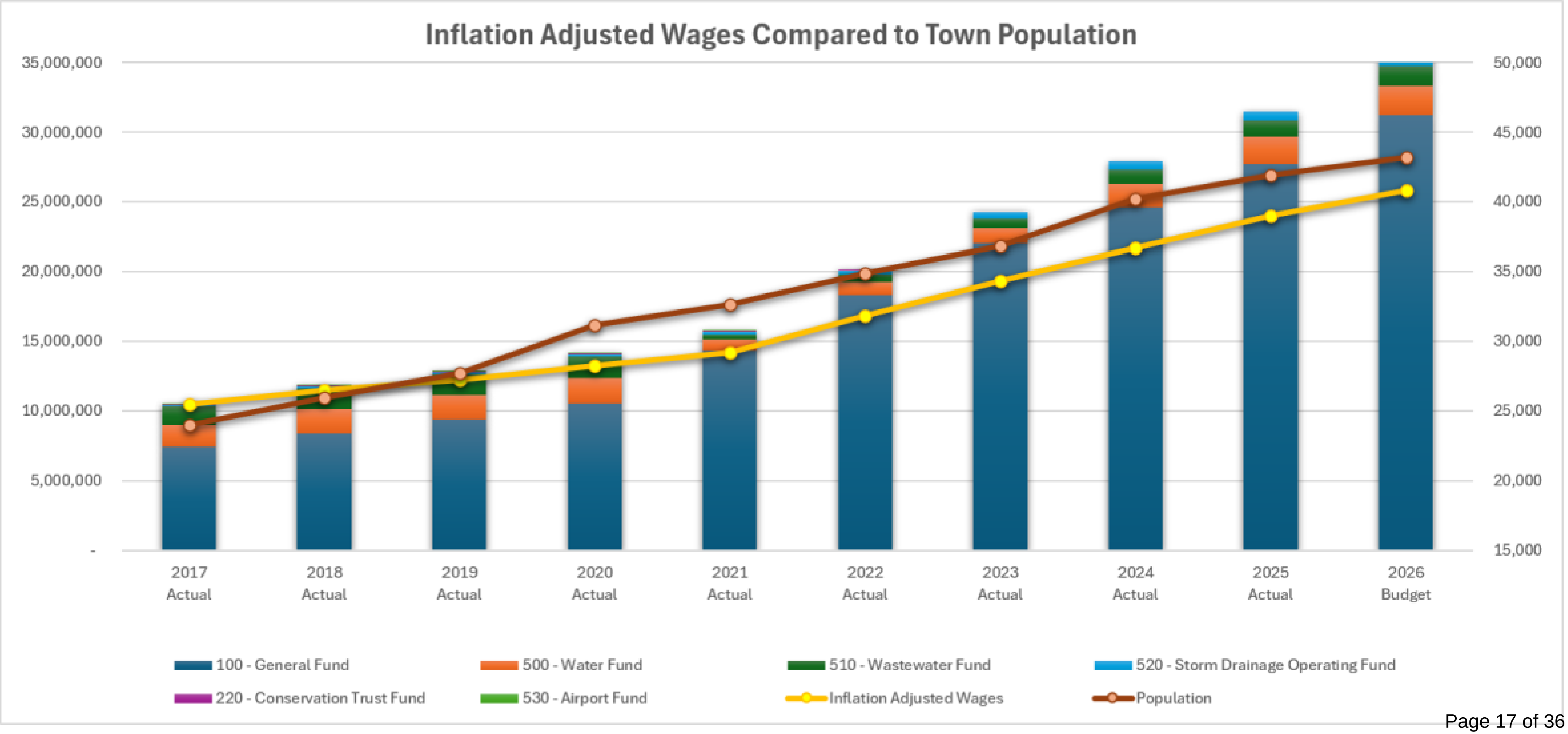


	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
YTD Sales Tax	$3,835,180.76	$5,107,786.64	$5,517,035.80	$5,476,322.17	$6,396,324.57	$7,132,809.16	$8,530,765.75	$9,382,267.52	$10,478,299.1	$10,680,541.0
% Change		33.2%	8.0%	-0.7%	16.8%	11.5%	19.6%	10.0%	11.7%	1.9%

Expenditure Trends & Population Growth



Staffing Trends & Population Growth



Long-Term Strategy & Forecast

Long-Term Financial Strategy

Focus Areas

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

General Fund Forecast Assumptions

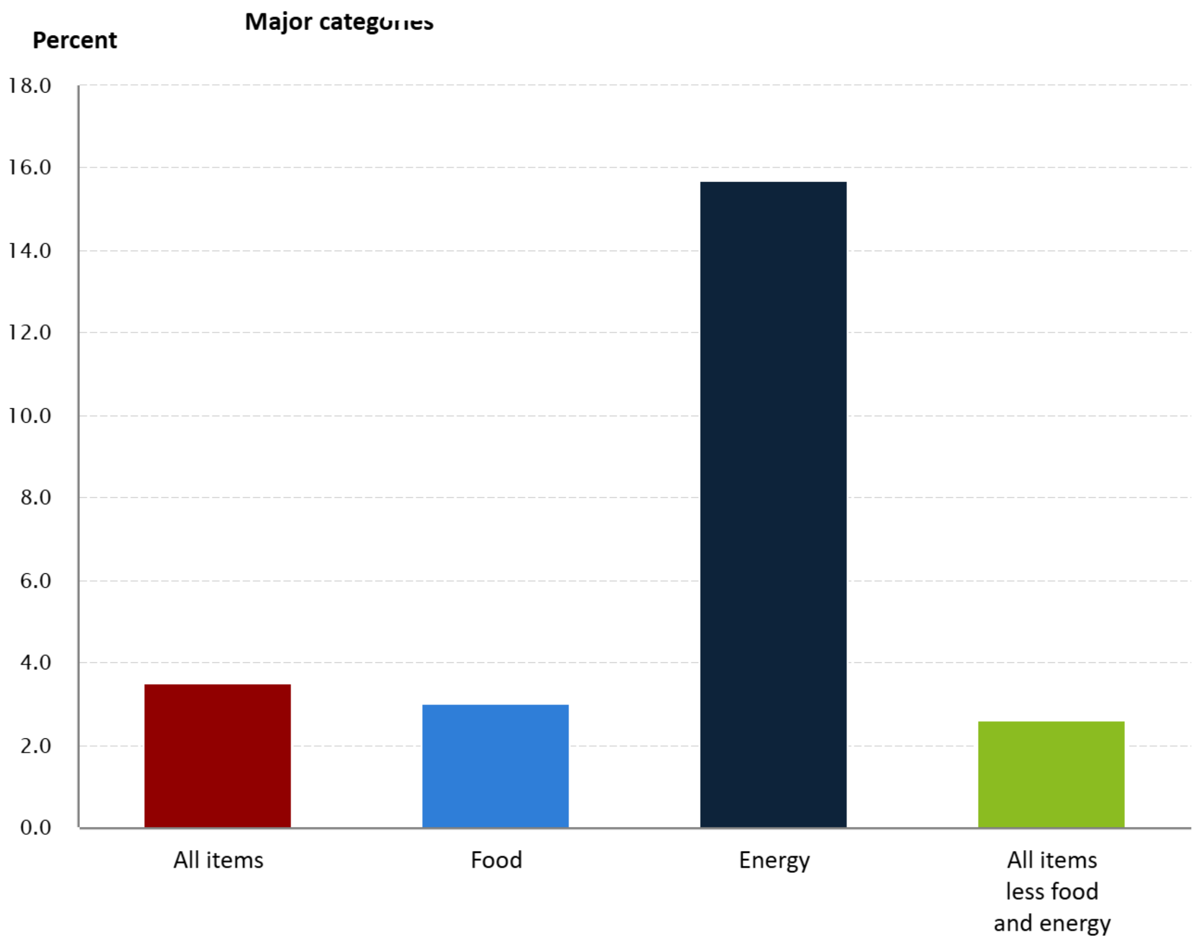
	2026 Budget	2027	2028	2029
Beginning Balance	26,087,000	21,918,000	21,421,000	19,560,000
Revenues	70,063,000	60,324,610	62,187,136	64,655,409
Debt	4,759,000	2,287,000	4,284,000	4,284,000
Personnel	39,523,000	40,487,394	43,915,000	46,550,000
Operating	20,296,000	16,483,941	16,566,000	16,649,000
Turnback	(4,786,000)	(4,558,000)	(4,838,000)	(5,056,000)
Airport & Insurance Transfers	2,283,000	2,320,800	2,320,800	2,320,800
Fleet Transfers	2,157,000	1,800,000	1,800,000	2,000,000
Capital Transfer	10,000,000	2,000,000		
Restricted & Reserves	17,328,000	16,669,000	17,436,000	18,060,000
Ending Spendable Balance	**4,590,000**	**4,752,475**	**2,124,336**	**(592,391)**

*Please note that these numbers are to demonstrate the forecast structure and are not current budget forecast numbers.

Economic Factors

- **Inflation rate – 3.5% YoY (June)**
- **Colorado economy – 5.0% YoY (May)**
- **Development & Housing Market**
  - Erie Building Permits down 60%
  - High Inventory/ Longer On-Market Days
- **Consumer spending trends**
  - Top 10% bolstering economy
  - Energy costs correlate to slowed spending
- **Investment trends**
- **Industry specific changes**
  - Construction costs, upfitting vehicles, cost of asphalt and concrete
- **Geopolitical climate**

12-month percentage change, Consumer Price Index, selected categories, June 2026, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

Forecast Assumptions – Snapshot

	Current 2026 Budget	2027 Base	Growth Assumptions from Base Somewhat Constrained	Forecasted Revenue 2027 Forecast
Property Taxes				
General Operating	5,184,806	$ 5,548,806	2.0%	$ 5,659,782
Debt Service	1,489,000	$ 1,015,613	set by debt payment	$ 1,015,613
Sales Taxes				
Retail	21,945,000	$ 22,115,000	2.5%	$ 22,667,875
Vehicle	4,305,400	$ 4,305,400	1.0%	$ 4,348,454
Other Taxes				$ -
Highway User Taxes	997,500	$ 1,197,500	6.0%	$ 1,269,350
Motor Vehicle Taxes	102,600	$ 102,600	6.5%	$ 109,269
Road & Bridge Taxes	180,000	$ 200,000	5.3%	$ 210,500
Cigarette Taxes	22,000	$ 22,000	5.0%	$ 23,100
Severance Taxes	250,000	$ 50,000	0.0%	$ 50,000
Specific Ownership Taxes	375,000	$ 375,000	7.0%	$ 401,250
Building/Development				$ -
Use Tax (agg)	5,537,000	$ 3,037,000	-10.0%	$ 2,733,300
Building Permits (agg)	2,818,717	$ 1,518,717	-10.0%	$ 1,366,845
Other Building Revenue (agg)	160,650	$ 180,650	5.0%	$ 189,683

- Overall Growth Assumptions: All Revenue Categories
  - Very Constrained – Flat - 0%
  - Somewhat Constrained – 1%-2% - Staff Recommended
  - Optimistic – 3%+

Forecast Assumptions

- **Erie has maintained a Balanced 5-Year Operating Forecast**
    - Rapid growth in revenues aligned with expenditures
    - Balancing 5 years was easy with revenue growth exceeding expenditure growth
- **Typical Balanced Operating Forecasts are 3-Years**
    - GFOA recommends financial forecasting for 3-5 years, with balanced growth for at least 3 years
- **Revenue Growth is Flatter**
    - This means balancing beyond 3 years becomes more challenging
    - The value in forecasts is to anticipate challenges – a 3-year balanced forecast still achieves this

Capital Improvement Fund

Capital Improvements Fund

Capital Improvements Fund - 110

Project Account	Department	Project Description	Total 2026 (Rollovers and Adopted)	2027 Forecasted
100378	Public Works	Street Maintenance Projects	$ 5,581,194	$ 4,500,000
100379	Public Works	Concrete Maintenance Program	$ 553,520	$ 450,000
277502	Utilities	Fuel System Upgrade	$ -	$ 450,000
100423	Public Works	Traffic Signal Improvements	$ 963,725	$ 264,100
260000	Public Works	ADA Transition Plan	$ 103,334	$ 250,000
100154	Parks & Rec	ECC Improvements	$ -	$ 230,700
100426	Parks & Rec	Country Fields Park	$ -	$ 220,000
100410	Parks & Rec	Public Art and Placemaking Program	$ 170,625	$ 123,000
100368	Parks & Rec	POST Infrastructure Maintenance & R	$ 159,277	$ 114,657
100246	Parks & Rec	ECC Pool Maintenance	$ 26,600	$ 114,500
100170	Public Works	Traffic Calming	$ -	$ 100,000
100166	Public Works	Parking Lot Maintenance	$ 70,000	$ 60,000
100353	Public Works	Office Remodeling	$ 188,486	$ 50,000
100295	Public Works	Mechnical Replacement	$ 132,525	$ 42,500
100257	Parks & Rec	Coal Creek Park Redevelopment	$ 83,950	$ 30,050
100200	Parks & Rec	Schofield Farm/Strieby Open Space/Erie Lake Exp.	$ 12,727	$ 16,662
100327	Env Services	Electric Vehicle Charging Stations	$ 136,646	$ 10,000
243001	Public Works	Bus Stop Construction	$ 378,000	$ -
257011	Econ Dev	Mine Mitigation	$ 7,000,000	$ -
100234	Public Works	Facilities Energy Performance	$ 1,288,290	$ -
100147	Parks & Rec	Playground Replacements	$ 662,625	$ -
247003	Public Works	ECC Replacement RTU(s)	$ 1,350,000	$ -

Capital Improvements Fund

Capital Improvements Fund - 110

Project Account	Department	Project Description	Total 2026 (Rollovers and Adopted)	2027 Forecasted
100329	Public Works	Facility Safety & Life Cycle Projects	$ 366,695	$ -
267002	Public Works	Briggs Street Median - Circle K	$ 154,000	$ -
	IT	New Server FY2026	$ 140,000	$ -
	Parks & Rec	Parks & Rec Capital Equipment	$ 64,000	$ -
265007	Parks & Rec	Boneyard Redesign	$ 110,000	$ -
100177	Public Works	Traffic Mitigation	$ 46,666	$ -
100367	Parks & Rec	Park Fixture Replacements	$ 50,000	$ -
	Utilities	Fleet Equipment	$ 31,880	$ -
100085	Public Works	WCR3 Bridge	$ 135,824	$ -
100199	Public Works	Town Hall Expansion	$ 599,248	$ -
100252	Public Works	Signal Communication Project	$ 24,500	$ -
100900	Econ Dev	Makerspace	$ 509,863	$ -
115001	Public Works	Page Property	$ 437,729	$ -
247001	Env Services	Street Lights	$ 1,532,940	$ -
247002	Public Works	LAWSC Additional space and security	$ 899,904	$ -
253002	Planning	Affordable Housing Projects	$ 1,355,000	$ -
265008	Parks & Rec	Bixler Shelter at King Open Space	$ 96,000	$ -
		Total Capital Improvements Fund	**$ 25,415,773**	**$ 7,026,169**

Currently, the 2026 CIF has over half of the budgeted projects classified as new or continuing projects.

2026 Budgeted CIF		
$ 10,254,647	40%	Capital Maintenance
$ 14,925,246	59%	New or Continuing Capital Projects
$ 235,880	1%	Capital Equipment

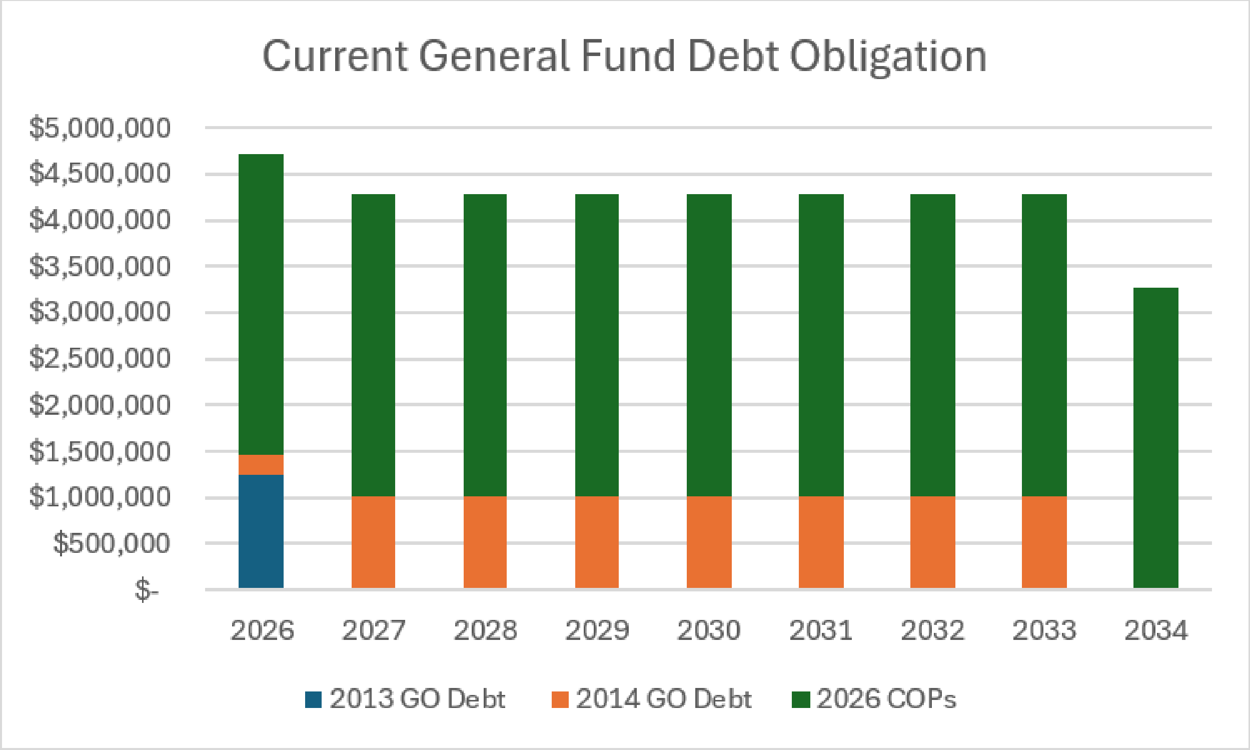
Prioritization – CIF Forecast

	2025 Actuals	2026 Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
CIF Beginning FB	**27,000,000**	**24,263,056**	**8,847,283**	**3,821,114**	**-3,160,642**	**-10,086,701**
General Fund Transfer	6,500,000	10,000,000	2,000,000	-	-	-
Investment Income	932,950					
Total Revenue	**7,432,950**	**10,000,000**	**2,000,000**	**-**	**-**	**-**
Rollovers		9,512,915				
New Requests		96,000				
Interfund Transfers		28,000				
Original Capital Budget	10,169,894	15,778,858	7,026,169	6,981,756	6,926,059	7,595,959
Total Expenses	**10,169,894**	**25,415,773**	**7,026,169**	**6,981,756**	**6,926,059**	**7,595,959**
CIF Ending FB	**24,263,056**	**8,847,283**	**3,821,114**	**-3,160,642**	**-10,086,701**	**-17,682,660**

- The General Fund transfer will be determined once operating and debt are balanced. This sample assumes a $2 million dollar transfer.
- This forecast assumes that the CIF will spend 100% of the budget – it never does.
- The 2027 forecast includes the unvetted department requests. This number is not finalized.

Debt

Current General Fund Debt



- Erie Community Center – 2026 Payoff: $1,240,000
- Public Safety Building – 2033 Payoff: $6,200,000
- Interest-only payments have been made since 2014
- COPs are not a debt obligation under TABOR, so not included in the ratio below
- For budgeting purposes, the Town treats COPs as traditional debt

Year	Population	Est. Actual Taxable Value	General Bonded Debt	GO Debt to Valuation	GO Debt per Capita
2025	41,916	$ 10,607,424,269	$ 7,649,155	0.07	182

Debt Funded Projects – Current & Future

General Fund

Erie Community Center Expansion

- Ballot item on November ballot for .501% increase
- Funds both the debt payment for GO debt and operating funds for Parks and Recreation

Public Safety Building

Town Center Mine Mitigation

- Still underway, mitigation project dependent on anchor tenant

Water Fund

Zone 2 & 3 Tanks

- Revenue bond debt, percentage of debt/cash dependent on 2027 rate study

Balancing Strategies

Department Prioritization – General Fund

- Departmental Targets – 5% Reduction from 2026
- Additional Round of 5% Reductions
- Focus on Core Services and Maintaining Current Service Levels
- Reducing New CIF projects and Focus on Maintaining Current Assets

Prioritization Examples:

- Reductions in areas with historically lower spending (90% or less)
- Reductions in food, travel, and branded clothing
- Greater review of vehicle replacement reschedules to reduce early replacement
- Delay any non-critical projects or expenses
- Limited FTE increases – core service or critical only

Department Prioritization – General Fund

Unknown Impacts – More to Come

- Medical insurance premiums are still in negotiation (18-22% Increase)
- Property, liability, and workers comp premiums are still estimates
- Supplemental needs for unbudgeted expenses:
- Mineral Rights Due Diligence Period
- Termination of Prior TM & Recruitment of New Town Manager
- Potential Special Election Cost

General Fund – Other Revenues/Sources

Transportation Maintenance Fee – Study Underway

- A small fee on each utility bill to support street repaving and maintenance
- Dedicated funding for street maintenance with partial or full cost recovery options

COP Mine Mitigation – ECC

- Mitigation not needed, so $2,000,000 can be rolled back into debt payment
- A feasibility study could be appropriated and rolled out in 2028 when property is available

ECC Ballot Item

- If approved, Parks & Recreation will have a small dedicated revenue source alongside the GO Debt authorization

Council Feedback

Are there priorities or projects missing that the Council would like to see prioritized?

- Core Operations & Current Service Levels
- Capital Maintenance
- ECC Expansion Project

Is there support for the recommended revenue and expenditure assumptions for the long-range forecast?

- Very Constrained – Flat 0% Growth
- **Staff Rec'd**: Somewhat Constrained – 1%-2% Growth
- Optimistic – 3%+

Any concerns on tradeoffs and proposed fees?

- 3-Year Balanced Forecast
- Transportation Maintenance Fee
- Focus on Maintaining Current Services and Infrastructure

Questions & Discussion