

City of Greeley, Colorado
CITY COUNCIL WORK SESSION
January 28, 2025

1. Call to Order

Mayor Gates called the meeting to order at 6 p.m. in the City Council Chambers at 1001 11th Ave, Greeley, Colorado, with hybrid participation available via the City's Zoom platform.

2. Pledge of Allegiance

Mayor Gates led the Pledge of Allegiance.

3. Roll Call

Heid Leatherwood, City Clerk called the roll.

The following were present:

Councilmember Tommy Butler

Councilmember Deb DeBoutez

Mayor Pro Tem Dale Hall

Councilmember Brett Payton

Councilmember Johnny Olson

Councilmember Melissa McDonald

Mayor John Gates

4. Reports from Mayor and Councilmembers

Mayor Pro Tem Hall stated he was very happy that the trail from Pumpkin Ridge to Sheep Draw was completed.

Councilmember Olson spoke about his upcoming meeting with Northern Front Range Transportation and the prioritization of transportation projects.

Councilmember DeBoutez reminded everyone the Farm Show begins Tuesday, January 28, 2025 9:00 AM - Thursday, January 30, 2025 4:00 PM at Island Grove Regional Park 421 N 15th Ave., Greeley, CO 80631.

Councilmember Butler spoke about touring the Real Time Information Center along with Councilmember Payton and Greeley Police Department.

5. West Greeley Project Status Update and Next Steps

City Manager Raymond Lee introduced the item at 6:02, along with Assistant City Manager Blair Snow and Side Car PR consultant Sara Cullen were also present for questions. This item was for informational purposes only.

Mr. Lee shared that active negotiations were ongoing, with staff reviewing economic incentives related to codes and policies. A third study model was recently received, which

will provide the most realistic cost projections. Mr. Lee said meetings would be set up with Council to walk them through the findings. He also explained that the City Attorney's office is reviewing all contractual documents and a joint meeting between the legal teams will take place. A detailed staff report would be prepared for Council, covering project terms, funding, and financial projections. Since negotiations are still in progress, the predevelopment and financial agreements will not be brought before Council on February 4th. Further internal meetings are planned before presenting the agreements to the Council and ample time will be given for questions. There will be upcoming community engagement meetings to gather feedback. They are working on strategies to mitigate risks and finalize an overall financial model. Mr. Lee expected to have a clearer timeline for presenting the agreements to Council in the coming weeks.

Councilmember Olson said he understood the financial risks, but stated there are project, partners, and community risks. Mr. Lee said they would be evaluating all risks – environmental, market, governance, policy, legal, compliance, health and safety risks in their mitigation strategy.

Councilmember Butler expressed approval of the community outreach efforts but asked about additional plans beyond the two upcoming public meetings. Ms. Cullen said that information would be provided about groups that have already been contacted and an online survey that was being conducted. Mr. Lee noted that engagement efforts could evolve depending on how the project progresses, with more outreach planned if Council approves the project.

Councilmember Olson asked if other boards and commissions, such as the Water and Sewer board had been contacted. Mr. Lee said that was good idea, and that is why these discussions with Council were necessary, so they could get suggestions and recommendations.

Mayor Gates said Mr. Lee had presented to the Chamber of Commerce yesterday.

Councilmember DeBoutez thanked Mr. Lee for taking a step back and providing them with the fiscal analysis, she appreciated giving legal and Council more time.

Councilmember Payton said he agreed with Councilmember DeBoutez and appreciated the work staff had put into this and their responsiveness to Council's concerns as well as Water Valley. He said fast deals make mistakes and taking time to do this right was important.

6. General Fund Revenue Stabilization Recommendations

Budget and Policy Director Caleb Weitz introduced this item at 6:15 p.m.
This item was for informational purposes only.

Mr. Weitz spoke about revenue volatility, referring to an analysis provided by PFM Consulting Group, who analyzed Sales and Use Tax as well as Property Tax. The study concluded that volatility for Greeley was higher than the national and state averages. For instance property tax revenues were 5.1% of the city's tax base in 2018 and 34.2% in 2023.

Mr. Weitz explained the state requirements for General Fund reserves, which establish a 3% emergency reserve. He said Greeley's current General Fund reserve was higher at 16.7%. He introduced the concept of establishing a General Fund Revenue Stabilization Reserve of 3-12% of Sales/Use and Property Tax Revenue, which would help level peaks and valleys resulting from the current volatility, without drawing on the 16.7% General Fund Reserve. He explained this was a continuation of a conservative approach to operational budgeting and would smooth year-to-year swings in growth due to market conditions.

Mr. Weitz presented a chart with other municipalities and the reserves they budget, such as Ft. Collins, Westminster, and Longmont. He also said the additional fund could be filled by multiple sources including revenues that exceed the forecast, year-end surpluses and one-time revenues. The fund could be used when sales and use tax or property tax were lower than budgeted or when there were fluctuations in oil and gas revenues. Mr. Weitz explained how Council would be able to approve access to the funds and replenishment mechanisms.

He was looking for Council feedback on confirming minimum and maximum targets, funding sources, a replenishment timeframe, and establishing access procedures.

Councilmember Payton wanted to clarify he understood the 3% replenishment correctly. He asked if the fund were to drop below 3% then a 3 year accelerated replenishment schedule would go into affect. Mr. Weitz said yes. Councilmember Payton thought there were two ways that could happen, the fund would be used and spent down, or revenues could be overachieving. Mr. Weitz explained the funding would be based off budgeted amounts. Councilmember Payton asked how it would work if there was overperformance. Mr. Weitz said the reserve would be one-time money and would slowly grow in proportion to revenues. It could be reevaluated every few years to adjust it based on volatility and to make sure it was appropriately sized. Councilmember Payton asked when the fund would be used. Mr. Weitz said it would be used when revenues are not performing as expected and Council would be asked to tap into it. He further explained that the replenishment requirement would give them a target in the budget process to set aside money to build it back up. Councilmember Payton asked if it was tapped, when would Council be able to decide to replenish it, such as the next budget cycle. Mr. Weitz said policy specifics were not yet written, and that is one thing they were looking for Council feedback on.

Mayor Gates asked that the difference was between the 2 -month reserve and what was being proposed. Mr. Weitz said the reserve pays bills if there is a disaster, this new fund was specifically so there will be one-time money available as a budget tool in response to

revenue fluctuations. Mr. Lee said it was similar to having a savings account versus a retirement fund.

Councilmember Payton asked if this was a second savings and Mr. Weitz confirmed it was additional.

Councilmember Olson said this is for budget reconciliation not a safety net.

Discussion ensued with several councilmembers better understanding that the 2-month emergency fund would remain in place.

Mayor Pro Tem Hall said he was still uncertain about the 3-12% range. He asked if this was based on targeted volatility. Mr. Weitz said the large range would allow them to reach an achievable minimum, and once the maximum target was reached, they would no longer need to fund it or could spend from the fund. Mayor Pro Tem Hall asked how they determined to aim for 12%. Mr. Weitz said that was based on waiting for future development that once it occurs, would be taken into consideration in budgeting and Council could adjust it accordingly.

Councilmember DeBoutez said this year was a flat budget year, and possibly next year. To her that was a budget cut, so they would put at least 3% in. Mr. Weitz clarified that a flat budget would be the case if the city hadn't added new positions or kept up with inflation. For 2025, new positions were added and increases were given, so he saw it as more of a "pause" in expansion than a flat year with cuts. He expected 2026 to be similar. Mr. Lee said last year was a more stable year, there had been a large increase in development post-Covid since 2021 and it had since calmed down. Councilmember DeBoutez asked if grant money could be used to fill in a budget gap instead of creating a stabilization fund and Mr. Lee explained grant money cannot mingle with the general fund.

Councilmember Butler said they put \$11.8 million in last years budget and asked how much they put in this year. Mr. Weitz said \$4.8 million. Councilmember Butler asked how much he would recommend for 2026, and Mr. Weitz said he wasn't sure yet, they could choose to put more than 3% in for 2026 but since they had already put more than 3% in for 2025 so they could choose no additional investment in 2026, what they put aside in 2025 does more than get them there.

Councilmember Olson asked if they would be taking a positive money year to fill the pot and when they have a good year put more in. Mr. Weitz said yes, the idea was to fill it up in years when they are over performing and use it on years when they are underperforming.

Mayor Pro Tem asked if he could meet with Mr. Weitz to clarify a few things.

Mayor Gates asked if there was consensus to move forward with staff recommendations to create a separate stabilization, and consensus was reached.

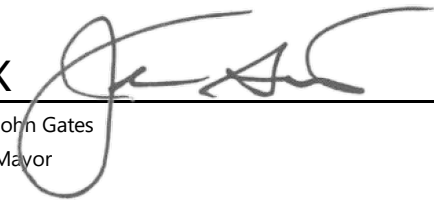
7. Scheduling of Meetings, Other Events

None.

8. Adjournment

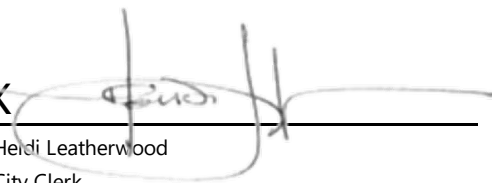
With no further business to come before the Council, Mayor Gates adjourned the meeting at 6:45 p.m.

Approved

X 

John Gates
Mayor

Attest

X 

Heidi Leatherwood
City Clerk