City of Greeley, Colorado

CITY COUNCIL WORK SESSION

May 13, 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**
   Deputy City Clerk Jennifer Middleton 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**
   Councilmember McDonald attended a ceremony for the Greeley Fire Department and a planting by the Public Works department in collaboration with District 6 students on the 8th St. Plaza.

   Councilmember Butler attended a community meeting update on the 16th Street project along with Mayor Pro Tem Hall and Councilmember DeBoutez. He noted that they did not have any complaints from business owners regarding the project and was excited to see it start.

   Mayor Gates enjoyed touring Ward II with Councilmember DeBoutez. He requested an update on a partially completed hotel as he was under the impression the developer had until May 1st to resume construction. Ms. Flynn noted the City had received a first bid on demolition.

5. **Ballot Measure Planning: April Poll Results**
   Interim Budget and Policy Director, Kalen Myers introduced the item at 6:05 p.m. Alex Dunn, Vice President of Aspect Strategic was available for questions.

Ms. Myers reviewed the timeline and key upcoming dates. She also reminded Council of their previous consensus on the three topics that were polled in April including public safety, housing and homelessness, and economic development. Mr. Dunn spoke about poll methodology and presented the results to Council. His recommendation found citizens supported first public safety, second housing and homelessness, and third economic development.

Ms. Myers noted it would be helpful to narrow the scope from three items to either one or two, but they could carry all forward in the follow up poll, which would specifically test ballot language. She asked for consensus on what to include in the June poll.

Councilmembers had questions about specific polling results. They asked what type of questions were used. Discussion occurred around housing and homelessness and public safety and asked if they could be tied together. Mr. Dunn and Ms. Myers both thought that was a possibility, and there were further conversations on how that could be achieved.

Council reached consensus to move forward with June polling on all three topics, grouping public safety, and housing and homelessness together.

6. **Homeless Response System Modeling**
Director of Homeless Solutions, Mandy Shreve, introduced this item at 7:01 p.m. Brooke Spellman of Spellman Strategies was available.

Ms. Spellman spoke about the modeling system and how it would help identify needs and funds for planning. She also noted that due to the City's current investments, they have already seen a significant decrease in homelessness. An inflow model was presented, and a gap analysis that showed current demand, pathways, and the system capacity.

Ms. Spellman spoke about annual versus long-term funding and explained how each pathway had its role. She stated that only 25% of the local homeless population needed more assistance, the remainder usually needed crisis intervention. A graph of the cost associated with the gaps was presented, showing what funds the City currently had versus what was needed.

Ms. Shreve provided information on what the City contributed to the emergency shelter and additional funds needed to sustain it for the full year. She noted that United Way was moving away from being a direct provider. Ms. Shreve spoke about the current supportive housing situation, state vouchers, the rapid rehousing program, and progress made so far.

Ms. Spellman said the annual investment by the City would require $5.33 million which could then be scaled back. She also noted that they would be meeting with community partners to create an action plan. Ms. Shreve concluded by noting these needs would be coming before Council in future months as part of budget deliberations.

Councilmember McDonald thanked the housing team and asked about preventative measures, such as a centralized system for landlords that would allow for assistance to be provided quicker. Ms. Shreve and Ms. Spellman both noted the challenges that came with early prevention.

Councilmember DeBoutez asked if diversion was part of the solution. Ms. Spellman elaborated on the differences between prevention and diversion, saying prevention was much broader and costlier than diversion.

Councilmember Butler said coming up with money for the funding gap would be his priority. He thanked staff for the great work accomplished over the last few years.

7. 2025 First Quarter Financial Review

Finance Director, Tyra Litzau, Division Treasurer, Robert Miller, and Grant Special Revenue Manager, Stacey Swanson, presented this item at 7:34 p.m.

Mr. Miller provided an overview of the City's financial position from January through March 2025. The purpose of the presentation was to update City Council on current economic conditions, revenue trends, and budget implications, and the city's overall financial outlook.

Mr. Miller reported that nationally, economic growth was projected to decline in 2025 and gave information on state inflation, unemployment, interest rates and sales tax. Federal-level decisions were also expected to influence the City's financial condition. While economic uncertainty was growing and the chances of a recession had increased, Mr. Miller emphasized the City of Greeley remained in a strong financial position due to prudent fiscal management and planning.

Several financial positives were highlighted for the first quarter and identified risks that could impact future resources. Risks included continued economic uncertainty, further decline in sales and use tax revenue, and sustained slowdown in new construction. He mentioned that if current trends continued, sales and use tax revenues could fall short of budgeted projections. These shortfalls were likely to have the most significant effect on the Capital Improvement Funds and could result in delays to planned capital projects. The General Fund, however, remained stable and would absorb the potential declines due to the contingency reserves.

Ms. Swanson provided an update on grants. She noted that during the first quarter of 2025, the City of Greeley was awarded $567,563 in grants across nine awards, exceeding the number received during the same period in 2024. Ms. Swanson noted departments receiving the grants as well as major projects significantly impacted by federal policy shifts. These departments affected are pursuing alternative funding sources, though the total potential loss is approximately $35 million.

Ms. Litzau gave an update on the external audit, explaining that the City is currently working with external auditors, Plante Moran, on the 2024 annual financial and single audit. While progress is being made, the process has been delayed due to the departure of the Financial Reporting Accounting Manager in March 2025. Responsibilities have been redistributed among the finance team, including the Finance Director and Deputy Finance Director, who are meeting daily with auditors during fieldwork.

The original goal was to issue all audit reports by June 30, 2025, but the City plans to request an extension from the Government Finance Officers Association (GFOA), like last year. The statutory deadline to submit the audited financial statements to the State Auditor was July 31, 2025, and the single audit must be submitted to the Federal Audit Clearinghouse by September 30, 2025. The City remained committed to meeting these deadlines and is working closely with auditors to complete the process on time.

Councilmember Butler asked about the Water and Sewer grant. Mr. Trombino addressed questions and assured Council they were looking for grants to offset the losses.

Councilmember Butler asked about rate increases. Mr. Trombino explained that as part of the overall stormwater improvement plan, bonding remains a key funding strategy. Bonding was originally planned for 2025, but shifted to 2026 to allow time for the 2025 rate increase to generate sufficient revenue. This adjustment was previously presented during last year's stormwater program update.

Councilmember Olson stated that is why they needed to invest in economic development and generate more revenue.

Council asked about an increased chance of a recession. Mr. Miller said it was possible at a national level. Ms. Litzau said there had been an increased chance since January. Mr. Lee assured Council that departments were already looking at potential steps to take if this situation arises.

Councilmember DeBoutez expressed concerns about what was being budgeted for development and building fees, as they had over-estimated the last three years. She wanted to make sure they took that into consideration for the 2026 budget.

Mayor Gates thanked staff for the information.

8. **Economic Development Incentive Policy**
Economic Development Director, John Hall and Deputy Economic Development Director, Michelle Claymore, presented this item at 7:58 p.m.

Mr. Hall proposed moving the City's economic development incentive toolkit out of municipal code and into formal policy. The current code-based toolkit was outdated, difficult to interpret, and lacked the flexibility needed to respond effectively to evolving business needs and economic opportunities. He emphasized that incentives play a marginal but potentially decisive role in business location decisions.

Mr. Hall presented best practices for incentive policies, which emphasize clarity, transparency, integration with city planning goals, and accountability. Greeley was still using a code-based approach, while neighboring communities have transitioned to more adaptable policy-based systems. The proposed new policy would modernize Greeley's approach and align it with current standards.

The proposed policy outlined three categories of tools: financial resources such as grants and loans, tax reductions (including sales and lodging tax rebates), and development incentives such as fee reductions and expedited permitting. Incentives would be evaluated on a case-by-case basis using both quantitative and qualitative criteria. Minimum qualifications would include a capital investment, creation or retention of jobs paying twice the local minimum wage, and demonstration of a clear public benefit.

Under the proposed process, applications would be reviewed by the Economic Development Department and forwarded to the City Manager. Incentives over $100,000 would require Council approval following executive session discussion. The City Manager would have authority to approve smaller incentives administratively.

Mr. Hall said that if Council reached consensus, staff would return on May 20th for a first reading of an ordinance to repeal the current code language and introduce the new policy. A second reading and public hearing would follow on June 3rd, at which time the new policy would be formally adopted.

Councilmember Butler asked why the City Manager could approve under $100,000. Mr. Hall explained it was an administrative burden to get on the Council agenda, and this process would allow them to respond quicker to smaller businesses. Councilmember Butler said he would like even the smaller ones to come before Council initially until they could evaluate volume. Mr. Hall noted it could be at Council's discretion.

Council reached consensus to move forward with the policy.

Mayor Gates thanked staff for the information.

9. **Motion to go into Executive Session to discuss the potential purchase of a property in the City of Greeley and receive instructions regarding negations about the purchase and about potential economic development incentives**

   Councilmember Payton moved to approve the motion. Councilmember McDonald seconded the motion. The motion passed 7-0 at 8:19 p.m.

10. **Scheduling of Meetings, Other Events**
    None.

11. **Adjournment**
    With no further business to come before the Council, Mayor Gates adjourned the meeting at 8:19 p.m.

9. Executive Session to discuss the potential purchase of a property in the City of Greeley and receive instructions regarding negations about the purchase and about potential economic development incentives

Mayor Gates started the Executive Session at 8:28 p.m. in the Colorado Room of City Center South. The meeting was electronically recorded as required by Colorado Open Meetings Law.

All Councilmembers were present, along with City Manage, Raymond Lee, City Attorney, Stacey Aurzada, Chief Operating Officer, Blair Snow, Chief Financial Officer, Allena Portis, Deputy City Manager, Rachel Flynn, Managing Director, Paul Trombino, Deputy Director of Economic Development and Urban Revitalization, Michelle Claymore, and Kevin Carter.

The purpose of the executive session was to determine positions, develop strategy, and instruct negotiators regarding to discuss the potential purchase of property and the negotiation of economic development incentives as provided for under C.R.S. Sections 24-5-402(4)(a) and 24-5-402(4)(e)(1) and Greeley Municipal Code Sections 2-151(a)(1) and 2-151(a)(5); and to receive legal advice related to these matters as provided for under C.R.S. Section 24-6-402(4)(b) and Greeley Municipal Code Section 2-151 (a)(2).

Mayor Gates cautioned each participant in this executive session to confine discussion to the stated purpose, and reminded everyone that no formal action may occur in executive session. He asked if at any point in the executive session any participant believes that the discussion was going outside the proper scope of the executive session, to please interrupt the discussion and raise an objection.

The Executive Session concluded at 9:16 p.m.

The recording of this executive session will be retained as provided in the City's records retention policy and in conformity with Colorado Open Meetings Law for a period of 90 days.

Approved

X

John Gates
Mayor

Attest

X

Jennifer Middleton
Deputy City Clerk