Citizen Budget Advisory Committee

5:00 – 6:30 PM, March 25th, 2026
1001 11th Ave, Greeley, CO 80631
2nd Floor Colorado Conference Room 227
Zoom Meeting: https://greeleygov.zoom.us/j/82522074466
Meeting ID: 825 2207 4466

AGENDA

- **CALL TO ORDER**
- **ATTENDANCE & ANNOUNCEMENTS**
- **APPROVE MINUTES FROM FEBRUARY 25, 2026**
- **DISCUSSION ITEMS**
  - EDUR – Don Threewitt
  - Water & Sewer Financial Report – Virgil Pierce
  - 2027 Capital Improvement Program (CIP) Update
  - 2027 Department Budget Development Update
- **OTHER TOPICS**
  - Future Meetings Agenda Review
- **PUBLIC INPUT**
- **ADJOURNMENT**

CBAC meets on the fourth Wednesday every month at 5:00PM. For information on how to place an item on the agenda, email: Laura.Delp@Greeleygov.com at least one week prior to the scheduled meeting date.

CITIZEN BUDGET ADVISORY COMMITTEE

Wednesday, February25th, 2026 - 5:00 p.m.

Committee	Present	Absent
Barry Eastman	X	
Tyler Mowery	X	
Anthony McCune	X	
John Shull	X	
Merrie Foreman	X	
Lori Williams	X	
Khalil N Bhanji		X
Laura Gurney	X	
Nicole Riner	X	

ATTENDING GUESTS & CITY PERSONNEL:

Robert Miller, Treasurer
Kirk Jones, Interim Finance Director
Nathan Mosley: Budget & Policy Director
Laura Delp: CBAC Secretary

CALL TO ORDER

- Barry Eastman called the meeting to order at 5:00 p.m. .

ATTENDANCE & ANNOUNCEMENTS

- Interim Finance Director Kirk Jones briefly introduced himself, noting he started in October as Deputy Finance Director and stepped into the interim director role after a leadership departure, and that he is attending to meet staff and support as needed.

APPROVE MINUTES FROM JANUARY 28TH, 2026

- The minutes from January 28th, 2026, were unanimously approved after a motion by Tony McCune that was seconded by Merrie Foreman.

2025 Year in Review – Robert Miller

- Robert Miller reported that the assessment is that the City remains in good financial condition overall, emphasizing that the organization has maintained higher fund balances (cash and investments) and, as a result, has benefited from stronger interest earnings. He also flagged a major structural trend in local revenue: a growing share of taxable spending is shifting toward online purchases shipped directly to residents' homes rather than purchase made at traditional brick-and-mortar businesses. While some other revenue areas are still growing, he stressed that online activity is outpacing them, and the City's overall sales tax growth has been materially slower than budgeted. New construction growth is "negative" relative to the budget—not because there was no growth, but because actual growth fell short of the higher level assumed in the adopted budget—while oil-and-gas-related severance tax had already fallen significantly earlier in the year, contributing to ongoing economic uncertainty and revenue risk.

- Robert then shared a citywide cash-and-investment graphic showing how the City historically carried around $200 million in total cash and investments prior to COVID-era disruptions but ended 2025 at a much higher level. He attributed the elevated balances mainly to two factors: higher capital balances being carried and the 2025 issuance of Certificates of Participation (COPs) for the West Greeley project. He explained that the City drew the proceeds up front (rather than pulling funds as construction needs arose), leaving roughly $85 million in COP proceeds sitting in the portfolio at that point on the chart, which inflates total cash. He cautioned against the misconception that the full cash balance is “available” to spend; most of it is restricted for specific capital purposes, utilities, or other commitments, and only a very small fraction (1%–2%) is truly flexible. He anticipates balances trending back toward the more typical ~$200 million level reflected in the 2026 budget as project timing and restrictions work through. He highlighted a major upside to temporarily holding higher balances: interest earnings have increased substantially, and the City has been earning around $14 million annually in interest, which helps support the organization and partially offsets financial pressures. He noted that interest earnings have been strong enough that the earnings rate is exceeding inflation, making the situation comparatively advantageous even if the higher balances are not discretionary.

- Turning to revenues, Robert identified sales and use taxes as the City’s largest revenue stream, with collections projected around the $100 million to nearly $120 million range for the year. He noted the City’s auditing efforts help support collections (by improving compliance), but he emphasized the dominant challenge is the growth rate: current-year sales tax growth is only about 1% compared to the roughly 5% assumed in the budget. That gap matters because City costs (including wages and operating costs) tend to rise faster than 1%, so the mismatch creates pressure that contributes directly to deficit discussions and the need for operating adjustments. He also pointed out that Greeley’s slowdown is not unique; statewide sales tax growth is also running about 1–2%, so the City’s experience reflects broader consumer behavior. In Robert’s framing, the issue is less about a one-time shortfall and more about a slower-growth baseline: if sales tax growth underperforms, the City does not just “miss this year,” it starts the next year from a lower platform, requiring unusually high growth later (he gives an illustrative example that it might take something like 9% growth the next year to fully “catch up”)—which is difficult to count on.

- Robert then presented a category view of taxable activity that highlighted how consumer purchasing patterns are reshaping the revenue mix. Online shopping is now one of the top categories (the third largest) and has grown dramatically over the last 5–10 years, moving from a minor line item to a central driver of sales tax. He cites about 16% year-over-year growth in online shopping and indicates this pattern has been consistent for many years. The committee discussed how online reporting can overlap with other categories depending on how businesses classify and report themselves, and Robert confirmed that categorization depends largely on the business’s chosen NAICS classification, with limited City control except in clear outlier cases that can be corrected. He described “dining out” as a bellwether for household financial health - when residents feel squeezed, restaurant spending tends to flatten or decline while grocery-related behavior increases, and he noted dining out is growing but below what would be typical in stronger years (with 5–6% growth cited as more “normal” for that category and consistent with the City’s earlier expectation for overall sales tax growth). He also noted vehicle-related activity is not as strong as hoped, potentially reflecting the impact of higher prices on consumer willingness to purchase big-ticket items. He added an important nuance on electronics/appliances: the category is inflated by a large online retailer that reports under that classification; without that factor, the category would decline several percentage points. Throughout this discussion, Robert underscored a key takeaway: when the City looks at physical-location activity, much of the growth appears to be coming from goods shipped into the City rather than purchases occurring in local storefronts.

- The group asked detailed questions about how certain purchases are coded—such as Walmart’s mix of categories and grocery pickup versus delivery—and Robert explained that delivery ordered online (including third-party delivery platforms) is typically captured as online shopping, while app-based ordering with in-store pickup tends to be treated as in-store activity. He also addressed the practical limits on how granular the City can publicly report these categories. Because sales tax reporting data is legally sensitive, the City cannot disclose information that would allow someone to infer the performance of a specific business. Robert noted this is why reporting is intentionally kept at a high level, and he referenced Colorado Open Records Act (CORA) requests as a recurring issue—explaining that the City must withhold taxpayer-specific information to avoid revealing confidential business activity that could create competitive harm. Participants also raised questions about restaurant closures and the local dining market, and Robert stated that, in recent years, there has been a shift toward “fast casual” and away from higher-spend sit-down restaurants, which aligns with the slower growth observed. The conversation broadens into economic competitiveness: Robert noted that Greeley’s household income levels are below national averages and lower than some neighboring communities, limiting disposable income, constraining sales tax generation per resident, and affecting bond rating considerations. The members described the situation as “chicken or egg”—higher incomes attract amenities and amenities attract higher incomes—and emphasized the importance of economic development strategies that bring higher-paying jobs and a more diverse commercial base.

- Robert next discussed building-related revenue (including “building use,” the sales tax paid up front on construction materials when permits are pulled). He explained that 2022 building activity created an expectation embedded in budgeting that higher permit volumes and associated revenue would continue, but that sustained level did not materialize over the last three years. As a result, adopted budgets assumed more growth in new households and new construction than actually occurred, contributing significantly to the City’s operating budget stress. He highlighted a structural factor in the housing mix: the City is seeing roughly 24% single-family and 76% multifamily development, and from a fiscal-impact perspective the City would prefer a more balanced mix because single-family buyers typically have higher incomes and generate more taxable consumption that supports City services. Participants noted that some of the preference shift may be generational (younger adults choosing less maintenance and more rental/multifamily options), while others argue the issue is not lack of demand for single-family housing generally but rather that potential buyers may be choosing other communities. Robert acknowledged that a move toward something closer to a 50/50 mix would improve revenue outcomes and align with higher household income patterns, but he presented it as a challenge rather than a quick fix.

- On oil and gas, Robert emphasized volatility and limited local control. He stated that severance tax revenue effectively went to zero for the year, driven by a combination of industry conditions, oil price dynamics, and state-level legal/tax treatment (including the ability of operators to deduct costs in ways that reduced taxable severance collections). He expects severance collections to remain weak based on early indicators. However, he noted that City oil royalties have helped stabilize the situation because the City allows drilling within city limits and receives royalties on certain City properties. Even so, he cautioned that royalties will likely soften if oil prices remain lower and that production revenue is front-loaded, especially with horizontal drilling where much of the revenue arrives in the first one to three years—meaning it requires continual new activity to sustain. For budgeting, he treats oil-and-gas windfalls as essentially one-time: helpful for near-term support (as seen in prior high-revenue years like 2022) but unreliable for ongoing operations.

- Robert closed with a consolidated “all funds” view of the City’s year-end financial impacts as presented to Council: building revenues are nearly $6 million below expectations, sales and use taxes are down about $3.7 million, interest earnings are a positive offset, and some operating expenditure savings also occurred. He noted that, taken together, the City may still land slightly better than the overall budget plan on an all-funds basis, but that does not eliminate the underlying operating concern that core, recurring revenue growth is lagging. When narrowed to the General Fund—the key operating fund—he expects a small surplus based on preliminary results, but substantially smaller than in prior years. His main warning is that slow sales tax growth has a compounding effect: a weak year lowers the base for future years, making it difficult to restore prior trajectories without unusually strong growth later.

Discussion

- Barry raised an interesting point from the prior day—an apparent major project setback or uncertainty following an election outcome—and asked what impact the short-term disruption could have on the City’s budget over the next couple of years, especially given that the City is holding COP (Certificates of Participation) proceeds that might not be deployed as originally planned. Nathan Mosley responded that, as of that moment, staff do not yet know the budget impact because key decisions and facts are still unsettled. He pointed out that City Council’s next opportunity to meet and provide policy direction would be the following Tuesday, and that staff need Council guidance on whether the project stops completely, is paused for a year, or proceeds in some modified form. Kirk added that another major variable is what the developers decide to do in reaction to Council direction and the changed circumstances, meaning both the policy path and the private-sector response are unknown. Robert advised the group that the current budget does not assume the additional growth or outcomes tied to the uncertain project, so the budget is, in effect, already built as though that project “doesn’t exist” right now—helpful for short-term stability but also a sign that the project-related upside is not currently supporting the operating plan.

- Nathan expanded on why the situation remains fluid, describing how the project has become polarizing and how repeal of zoning that had been in place creates a real possibility the developer could walk away. He also worries about a broader economic development consequence: high-profile uncertainty and instability can create a chilling effect on other businesses that want predictability before investing in Greeley. He referenced public information circulating about litigation (including mention of Martin Lind suing the City) and acknowledged he is not an attorney, but he noted that the controversy appears tied to a larger legal question—reportedly already pending at the Colorado Supreme Court—about whether certain City actions are "legislative" versus "administrative," and therefore whether they are subject to referendum. The practical takeaway, in Nathan's view, is that what staff believes today could change quickly based on legal rulings and Council actions, so the organization needs to be prepared to pivot and adjust plans on short notice. Kirk echoes that many people have been working hard to find a workable solution that produces a "sensible way to do everything" and, as he puts it, "make everybody win," but now the team is in a waiting period to see what decisions and outcomes emerge.

- Merrie Foreman asked how delays or uncertainty might affect a contract with the Eagles (implying a key partner or anchor tenant/attraction connected to the broader project). She expressed concern that if the project is delayed too long the Eagles may no longer be committed, undermining what she viewed as a major leverage point for the overall development. Nathan suggested inviting the City Attorney Stacey Aurzada to a future meeting to address the legal and contractual implications and emphasized the extraordinary scale and complexity of the project. He recounted that a consultant told him "nobody has" experience with a project of that magnitude, describing it as one of the largest projects in Colorado. Nathan noted that once a disruption like this occurs, it can ripple into other agreements, raising questions about whether provisions like force majeure might apply because the parties could not reasonably have anticipated a referendum-related outcome when agreements were executed. Kirk underscores that staff is simultaneously managing other significant initiatives—Civic Campus and the airport—highlighting that the City is balancing multiple major capital priorities at once, even as this particular project uncertainty absorbs attention.

- The conversation then turned more technical and finance-focused when Tony McCune asked a question about the COPs, using a "money sitting in a checking account earning interest" analogy. He asked where repayment comes from and how the repayment obligation is reflected in the budget. Robert stated that it isn't factored into the current budget, explaining that the repayment plan assumed the COPs would be refinanced as part of a larger, subsequent debt issuance tied to the west-side projects. It was pointed out that the interest clock is still ticking on the COPs. Robert clarified that the immediate pressure is muted because, by the structure of the COP issuance, the City is effectively required to hold the COPs through the end of the year regardless of what happens, and the City borrowed "capitalized interest" (about $8.6 million) within the larger borrowing amount specifically to cover the early debt service payments. He noted that the original plan was to issue additional debt to fund the broader west-side scope and use that to pay off the COPs, but that various complications (he referenced issues such as debt issuance complexities and a "501(c)(3)" element without diving into details) have delayed or complicated the intended financing path. His overall framing is that this is "not a problem until it's a problem"—meaning the City has some breathing room in the near term, but decisions must be made to avoid a future pinch.

- As the group sought clarity on timeline, Robert and others noted that there is limited but real time to figure out a long-term solution. He suggested there may be roughly 36 months in the broader sense to resolve the longer-term financing, but he also acknowledged a more immediate decision window (the group referenced "3 to 6 months") to determine the path forward and prepare a refinancing or alternative strategy, because refinancing was always the intent regardless of the political outcome. He emphasizes that Council has some time to decide how it wants to resolve the broader situation, but that the City needs a long-term solution rather than indefinite limbo. Barry observed that projected interest income is lower this year than last year because many expect interest rates to decline, but he noted that falling rates could also be beneficial if the City is able to refinance the COPs at a lower cost. Tony countered that a key risk factor from a lender's perspective is that the advantage depends on maintaining the City's bond rating, since a downgrade could raise borrowing costs and offset the benefit of lower market rates.

Municipal Budget 101 – Nathan Mosley

- Nathan Mosley introduced his "Municipal Budget 101" presentation as a first-time effort intended to be practical and interactive, with the goal of giving CBAC members shared baseline context and making future onboarding easier by offering new members a one-on-one orientation when they attend their first meeting. He framed the session as an opportunity to identify what information committee members need to be more effective in their governance and advisory role, and he outlined an agenda covering how municipal budgeting differs from household or business budgeting; what services the City of Greeley is expected to deliver; the basics of fund accounting; the City's revenue and expense structure; the distinctions between operating and capital budgeting; how enterprise funds and reserves work; and how budget governance and transparency function, particularly the committee's role in supporting Council's adoption of the budget. Nathan emphasized early that local government finance is highly rule-bound: many revenues are restricted by law or voters and must be used only for specified purposes, and even when money exists, the City cannot spend it without a formal legal appropriation by City Council. He highlighted that government finances are designed for continuity of essential services and long-term stewardship rather than profit, and although government budgeting is transparent through public documents, it is often not clear or digestible creating a gap between "available information" and "public understanding" that he wants to close with better communication and education.

- Nathan then connected budgeting to community expectations by describing the everyday services residents expect—public safety, infrastructure, utilities, and other core functions—and explained that these expectations are also the primary drivers of cost escalation. He used fire apparatus as a concrete example: ordering, manufacturing, and delivering fire trucks is a multi-year process and costs for major equipment have escalated sharply (he cited increases in the 15–20% range), requiring the City to plan years ahead to maintain service levels. He underscored that different services sit in different funding structures, particularly enterprise services such as wastewater, stormwater, and other utilities—so the existence of large cash balances does not mean the City has broad discretion to spend those dollars indiscriminately. He tied this directly to Robert's earlier point that only a small portion of total citywide cash is flexible; most is restricted to specific funds and purposes. Behind visible front-line services are substantial "hidden" support costs (technology, legal compliance, administrative functions) and that many of those costs are not optional because they are driven by regulatory requirements. Nathan added an example of internal cost allocation: IT is funded through chargebacks to departments based on drivers like FTE counts and software needs, and he noted that the City is working to tighten procurement and controls—citing a planned freeze on new software purchases to stop fragmented "rogue" acquisitions, reduce duplication, and ensure IT is involved in every software procurement, especially in light of current fiscal constraints.

- As the presentation moved into fund accounting, Nathan and Kirk acknowledge that government fund accounting is conceptually well-intended—built to ensure accountability and legal compliance—but is also anti-intuitive and confusing for both the public and internal staff. Nathan noted that the key budgeting question is not simply "do we have money," but "do we have the right type of money for this purpose," paired with "do we have legal authority (appropriation) to spend it." He explained that the City cannot treat all revenues like a single checking account; funds function as separate "buckets," each with its own restrictions, revenue sources, and allowable expenses. This is why the City sometimes has to do mid-year appropriations: unplanned needs (such as a special election) may require Council to grant new spending authority even if cash exists. He then walked through major funds and their purposes, explaining that the General Fund is the most flexible and supports day-to-day operations; dedicated funds include the Public Safety Fund (supported by a voter-approved 0.16 sales tax increase that is restricted to a police facility, debt, equipment, and maintenance—explicitly not staffing); the Public Improvement Fund (used for financing capital investments such as major infrastructure, major equipment or software, and other large projects, with revenues from grants, intergovernmental agreements, and operating transfers); the Food Tax Fund (supported by sales tax applied to groceries after repeal of a prior exemption, used for specific capital investments and repair/maintenance, and described as scheduled to sunset on December 31, 2026); and the Quality of Life Fund (funding capital improvements and maintenance tied to parks, recreation, cultural amenities, transportation capacity, infrastructure, and public buildings, supported by a voter-approved 0.3% sales tax extended to December 31, 2042). He also described development fee funds (fire, police, transportation, parks and trails) as growth-related, capital-only funding that must be used for CIP-type improvements attributable to growth rather than operating expenses. In response to questions about unrestricted funds, Nathan clarified that the General Fund is the closest thing to "unrestricted," but even it is constrained by the appropriate governmental purpose framework and legal/ethical limits on what governments can spend.

- A significant portion of the discussion focuses on enterprise funds—water, sewer, stormwater, cemetery, downtown parking, and golf courses—as self-sustaining operations supported primarily by user charges. Nathan explained that enterprise funds must generally pay for their own operations, maintenance, replacement, and capital needs and should not rely on General Fund subsidy. He highlighted a specific structural constraint: enterprise funds risk losing their enterprise status if they receive more than a limited share of operating revenue from the General Fund (he referenced a 10% threshold), which matters because enterprise status supports their bonding capacity and financial model. Enterprise revenues do not "flow up" to the General Fund as discretionary profit; rather, each fund accounts for its own revenues and expenses, with any interfund transfers needing to be explicitly budgeted and approved by Council. Nathan explained that what does occur is a "shared services" chargeback model: enterprise operations pay the City for centralized support services (HR, finance, etc.) based on documented methodologies reflecting the work performed on their behalf, often amounting to millions of dollars. The group discusses parallels to contract models in other jurisdictions, such as small municipalities contracting out police or fire services until scale makes in-house service more efficient. Nathan and Kirk also mentioned additional fund types and structures, including permanent funds that operate like endowments (with the principal preserved and only investment earnings spent), internal service funds that spread costs such as IT operations, equipment replacement planning, workers' compensation, liability, and employee benefits through chargebacks, and numerous capital project funds. The conversation emphasized the administrative reality: the City has many funds and sub-funds (with a lengthy list), and each added reporting complexity, which is one reason to avoid creating new funds unless necessary. Kirk reinforced the "separate companies" metaphor as the simplest mental model: funds do not cross without documentation and justification, even if the cash is pooled for investment purposes.

- Nathan then turned to the City's revenue structure and current forecasting posture. He noted that major revenues include sales tax and fees for services, both of which are economically sensitive—an important point given that recent projections were too optimistic and actuals have come in below expectations. In response, he stated a goal of shifting toward much more conservative revenue forecasting in the coming years, reasoning that the City has no shortage of needs and it is better to undershoot and add later than overshoot and be forced into cuts. He contrasted these with more stable revenue sources like property tax, which is relatively steady (even if restricted and not growing rapidly), and reiterated that dedicated taxes and fees and enterprise user charges each belong to specific purposes and funds. On the expenditure side, Nathan identified staffing and benefits as the dominant driver—about 70% of General Fund costs are personnel—then pointed to major cost pressures such as contracts, inflation, fuel, fleet, utilities, and the cumulative effect of expanding service offerings over time. He provides an example from public safety technology (drones) to illustrate how higher service levels can improve performance but come with ongoing costs, and he noted that compliance and safety requirements create "sticky" portions of the budget that cannot easily be reduced (such as required staffing levels at the wastewater treatment plant to comply with state and federal regulations). This "non-discretionary" reality, he explained, limits flexibility when revenues underperform, forcing trade-offs that often come from the "nice-to-have" margins rather than from legally required core functions.

- A key conceptual distinction Nathan emphasized is operating versus capital budgeting. Operating costs are recurring and should be funded by recurring revenues, while one-time revenues should be matched to one-time expenses. He used the earlier example of volatile severance tax to reinforce why the City should not build ongoing salaries and services on revenue sources that can disappear; such windfalls are better suited to capital projects or one-time needs. He revisited development fees as a classic one-time funding source tied to growth, and explained the timing mismatch the City must manage, infrastructure often must be built before housing units and associated fees arrive, which complicates financial modeling for large growth areas like West Greeley. He warned that projecting growth-related one-time fees without properly separating them from ongoing operating revenues can inflate forecasts and create structural imbalance if they are mistakenly treated as sustainable operating support.

- Returning the conversation to enterprise funds, Nathan highlighted a recent observation that stormwater fees have increased more sharply than water and sewer rates, attributing this to urgent infrastructure needs over the next 5–10 years and significant construction cost escalation. He expressed a desire for smoother long-term rate planning for stormwater—more like water and sewer—so the City avoids abrupt spikes while still funding critical needs. Barry asked whether Council could "backfill" the General Fund using enterprise fund resources. Kirk informed the group that accounting rules prevent treating enterprise funds like a discretionary source to plug General Fund gaps; Nathan added that any payments from enterprise funds to the City must be legitimate, documented, and based on an auditable methodology (e.g., payments for services rendered), and the City cannot simply move money around without a compliant structure such as a properly documented interfund loan. Nathan also noted that such questions are precisely where policy bodies like CBAC can help by advocating for appropriate guardrails and clarifying what should and should not be considered acceptable fiscal practice.

- Nathan then explained reserves and fund balance policy. He noted that the only explicit legal reserve requirement he referenced is TABOR's 3% requirement, while the City's 16.67% reserve target is a best-practice benchmark (from the Government Finance Officers Association) and a Council-recommended policy level, roughly equal to about two months of operating expenses. He stated that under the 2026 budget projections, the City expects to reach the 16.67% target by the end of 2026, but he also flagged a concerning longer-term trend: since 2022, the General Fund balance has declined substantially (he cites a drop from around 60% down to 16.67%) because the City has been spending roughly what it brings in, prompting the need to change course. He referenced a revenue stabilization fund created in 2025 (about $4.7 million) as a “first line of defense” to absorb shocks before dipping below the operating reserve target, and he explained that this stabilization fund is intended to sit aside during target-setting for departments. He indicates the budget team plans to provide departmental targets in early March (he cites around March 11 in his planning timeline) and that the stabilization fund includes a replenishment requirement if used. His message is that reserves must be balanced—neither excessively high nor dangerously low—and that stabilizing and rebuilding financial resilience is a core priority.

- Finally, Nathan addressed budget governance, transparency, and the committee’s role. He outlines that staff develops baselines and options, while Council adopts the appropriations through public hearings, ongoing reporting, and independent audit processes. He noted the audit results in the ACFR (Annual Comprehensive Financial Report) and, with Kirk’s help, emphasized how fund accounting drives reporting complexity: instead of one set of financial statements, the City must prepare statements for multiple major funds (and related sub-funds), which makes the financial picture harder to interpret and reinforces the need for better “translation” for residents. Nathan asked how the budget process can be made more accessible and suggested that, despite financial strain, the coming year may be the most important time to increase engagement—potentially through more Council study sessions (intended to be open to the public) and clearer communication during the July–September budget development period. Barry asked to be notified of especially relevant study sessions so CBAC members can attend, and Nathan agrees to review the budget calendar at a future meeting once it is finalized. The group discussed outreach ideas such as community budget open houses, but also recognized the workload involved and uncertainty about turnout. Laura Gurney offered a detailed, experience-based model from her nonprofit “Dollars and Donuts”, explaining that people often confuse “cash on hand” with “usable money” and that teaching the basics of fund restrictions and reserve policies at a high level dramatically improves understanding and trust. She pointed out that when the public asked for transparency, they often mean explanation they may understand rather than simply posting documents. She suggested that current community concern about the City’s financial position and polarization around major projects could make residents more receptive to a plain-language, “30,000-foot” overview. Barry proposed leveraging an existing, well-attended stakeholder forum such as the Greeley Chamber’s monthly coffee talk to reach business owners and community leaders, and Gurney offered to help shape messaging based on what has worked and what has confused audiences in her own sessions. Nathan agreed that proactive communication can build goodwill and prevent misinformation from filling the void.

- Nathan solicited feedback on the usefulness of the presentation and asked for agenda ideas moving forward, noting that the next meeting will focus on the Capital Improvement Program, and stating that he will provide a recap of departmental budget targets and the budget calendar.

- In wrap-up dialogue, Barry noted that CBAC has historically provided feedback and could issue statements when important issues arise outside the fall budget adoption window. Nathan committed to emailing the group a comparison of CBAC’s departmental priority rankings against Council’s, noting they were largely aligned and observing that “city manager’s office” ranked lowest—an outcome that triggers a broader discussion about the often-invisible but essential value of administrative and enabling functions like IT and executive leadership. It was suggested that internal communication is also important: without shared understanding, staff in one area may perceive inequity (for example, an IT software freeze while fire receives new apparatus) unless the City consistently explained funding restrictions and the difference between operating and capital resources. Nathan acknowledged the point and reiterated the value of “roadshow” style education, while Kirk closed with a clear, practical framing for fund accounting: treat each fund as a separate company—money does not freely cross between them, and when it does, there must be documentation and justification—underscoring the central lesson of the session that government budgeting is less about “how much money exists” and more about “what money can legally and appropriately be used for what purpose, with what authorization, and with what long-term sustainability.”

PUBLIC INPUT

- Chair Eastman opened the floor for public comment and confirmed there were no members of the public present online or in attendance.

ADJOURNMENT

- Chair Eastman adjourned the meeting at 6:35pm.

Next Regular Meeting:
March 25th, 2026
5:00-6:30 p.m.

City Center South - 1001 11th Ave, Greeley, CO 80631
2nd Floor Colorado Conference Room 227
Zoom(https://greeleygov.zoom.us/j/82522074466)

Nathan Nathan
Budget & Policy Director

Barry Eastman
Chairperson

Economic Development & Urban Revitalization; Real Estate Management

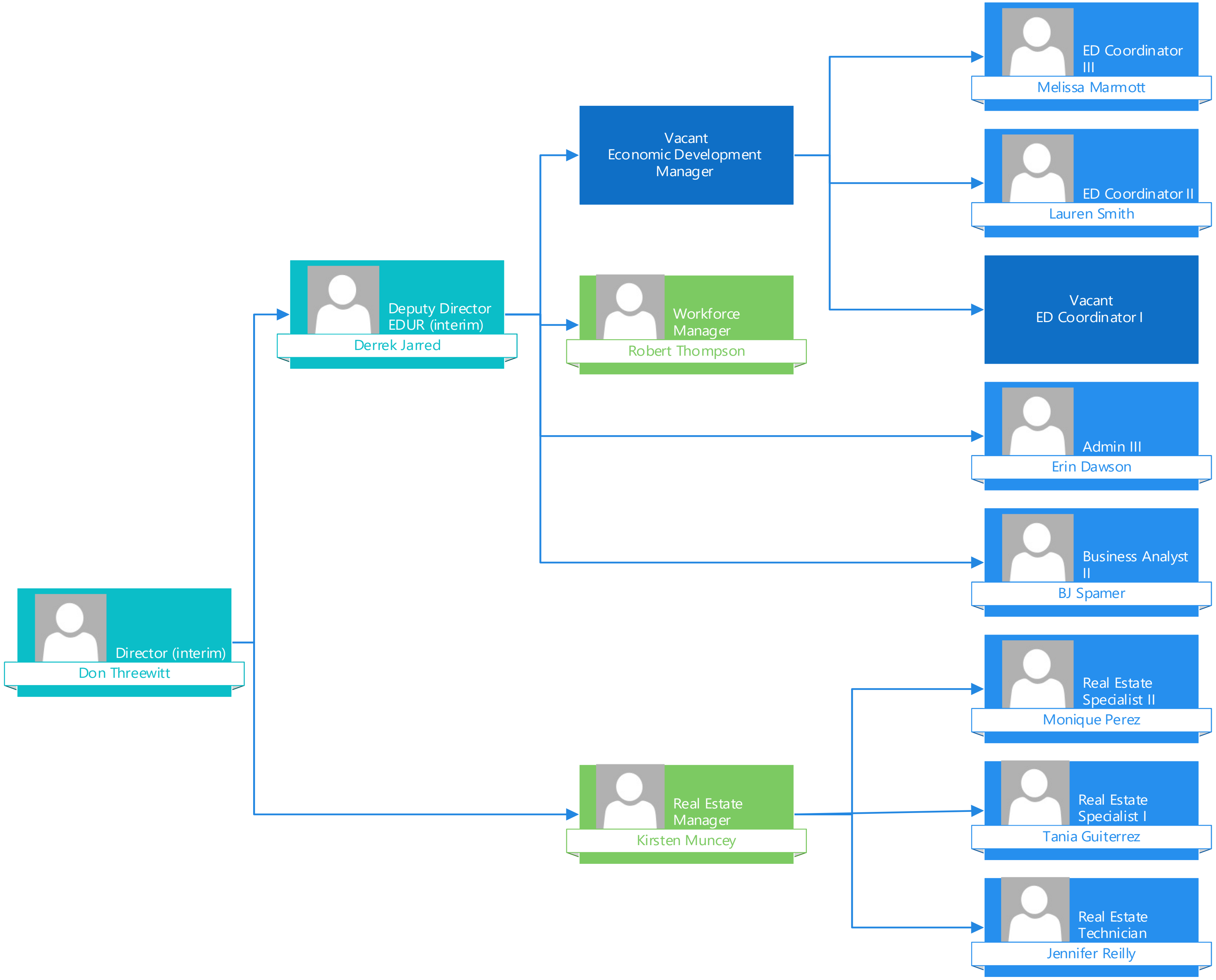
Don Threewitt, *AICP, CNU-a*

Interim Director, Community Development

Interim Director, Economic Development and Urban Revitalization

Organizational Chart

13 Permanent FTEs
2 vacancies
2 interim positions



Mission and Priorities

Foster business recruitment, expansion, and retention while leading strategic development initiatives that serve the city's long-term economic success.

BUSINESS GROWTH

Focusing on business retention, expansion, and attraction, as well as continuing to build an entrepreneurial ecosystem to support business development.

INFRASTRUCTURE AND MOBILITY

Developing projects aligned with, and in collaboration with, departments throughout the City, as well as leveraging Greeley Urban Renewal Authority resources.

COMMUNITY VITALITY

Developing data-driven workforce strategies that bring industry, education, and partners together to meet workforce needs and prepare existing small businesses to be competitive for key projects.

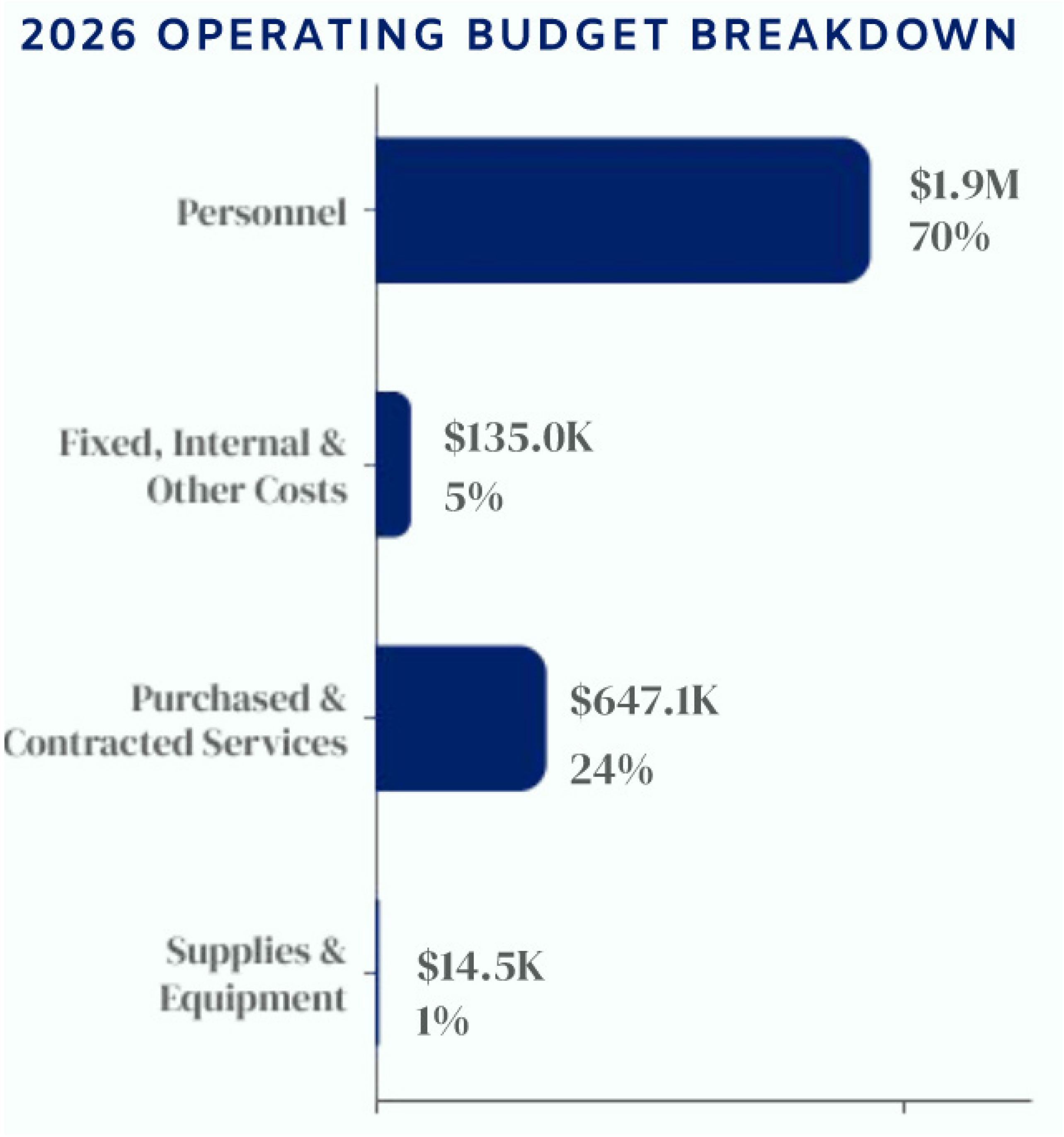
HIGH PERFORMANCE GOVERNMENT

Leveraging existing talents and building on inter-departmental relationships to develop marketing and communications, data analytics, and competitive incentive programs.

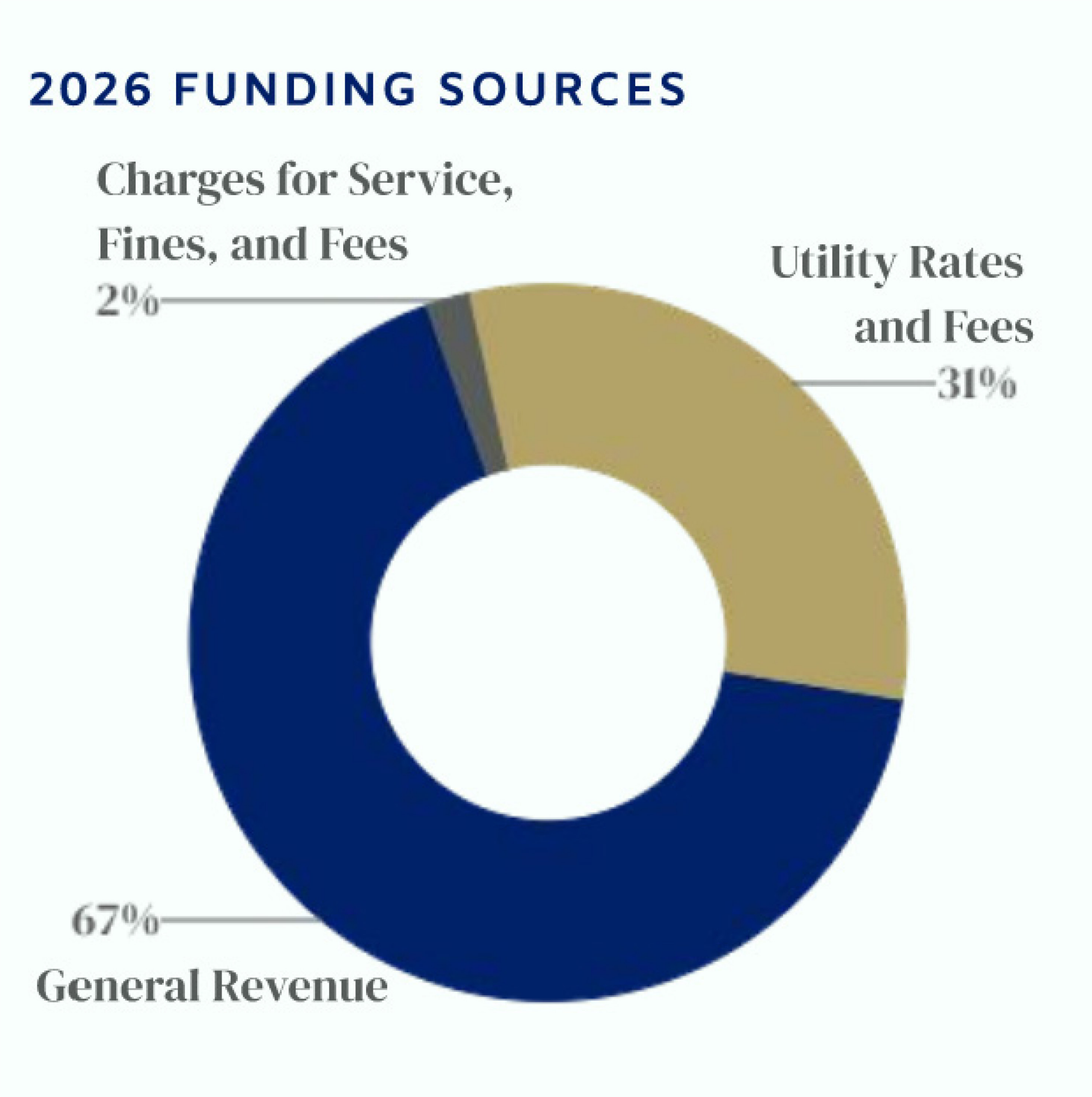
QUALITY OF LIFE

Increasing educational opportunities, workforce collaborations, and opportunities for small businesses to grow within Greeley, creating more places for residents to work, live, and play.

Overall Budget Slide with General Costs



Overall Income Slide (if appropriate)



What keeps you up at night as a leader/manager to accomplish your Mission?

Greeley's Untapped Strengths

- Share of region's workforce population, demographics
- Land and water availability
- Family-oriented quality of life
- Regionally affordable housing options
- Ambitious and progressive community vision/plans

Greeley's Enduring Obstacles

- Department capacity and effectiveness in the face of budget realignments
- Quantity and Availability of flex space & shovel-ready commercial lots
- Adequate power and infrastructure aligned with employment centers
- 68% of workforce employed outside of Greeley

What are you doing to keep costs down and accomplish your mission?

Strategic and prioritized investments & incentives…solid ROI

Actively seeking new revenue for the city

- Optimized revenue generation (leasing, land evaluations)
- Business attraction and local business growth

Merged positions – broader roles and responsibilities

Leveraged partnerships with aligned organizations

Accountability for prior investments and incentives

Risks (Now and Future)

- Loss of competitiveness, resources, or ability to **attract and retain businesses.**
- Lack of focus/resources on retaining or expanding local companies. Overcoming a perception that "they don't deserve it" mentality.
- Previous bad incentive deals causing significant concern for future incentive deals. Stems from lack of knowledge about fundamental ED best practice or understanding of actual ROI to City of Greeley.
- **Economic Impressions -** local investment lagging competition, risky business environment, lack of workforce development, **<u>Business Unfriendly</u>**
- **City's Image and Identity -** city reputation, lack of high-quality development, odor, talent recruitment, regulatory pressure.
- Companies looking to locate significant projects seek **reliability** from municipalities. Due to recent projects, that confidence is in question.

What are you doing to innovate within your department for more efficiency and performance?

- Rapid response team for ED projects and RFI responses, multiple departments and assistance from key partners (e.g., energy providers, workforce partners, etc.).
- Creating relationships with site selectors and business representatives to increase project pipeline.
- Active real estate management.
- Greeley Urban Renewal Authority (GURA) - increased engagement, vision, and strategy. Unleashing its potential and value as an economic development tool. Seeking GURA support for related staffing, grants, and other revenue to stabilize mission critical positions.
- Retail recruitment program formalized and better supporting our relationship with Greeley Commercial Brokers.
- Increased emphasis on building relationships with existing businesses – Business Retention & Expansion (BRE) and small business support focus.
- Support both Aims Community College (particularly AWIC) and University of Northern Colorado entrepreneurship and innovation programs. Serving as the convener for Greeley Startup Stakeholders.
- Technology and workflow enhancements to streamline real estate management, customer management, business intelligence.
- Enhanced, updated, and active EDUR website. Monthly internal and quarterly external newsletters. Relevant and updated LinkedIn presence.
- Working diligently to better leverage and partner with departments across the City.

What can the CBAC do to help you and your team?

- Help recognize the value by investing time, dollars, and relationship building into our economic development department and partner organizations.
- Enable a focused effort towards meeting the City of Greeley's business needs.
- What is critically missing? Where can we add the highest value?
- Create the foundation to achieve significant success in the creation of a Mayor's Task Force on Economic Development.

Water and Sewer Financial Report

March 25, 2026 - CBAC

Sean Chambers, Director
Erik Dial, Deputy Director for Utility Finance and Customer Service
Virgil Pierce, Utility Finance Manager
Water and Sewer

Agenda and Purpose

Agenda:

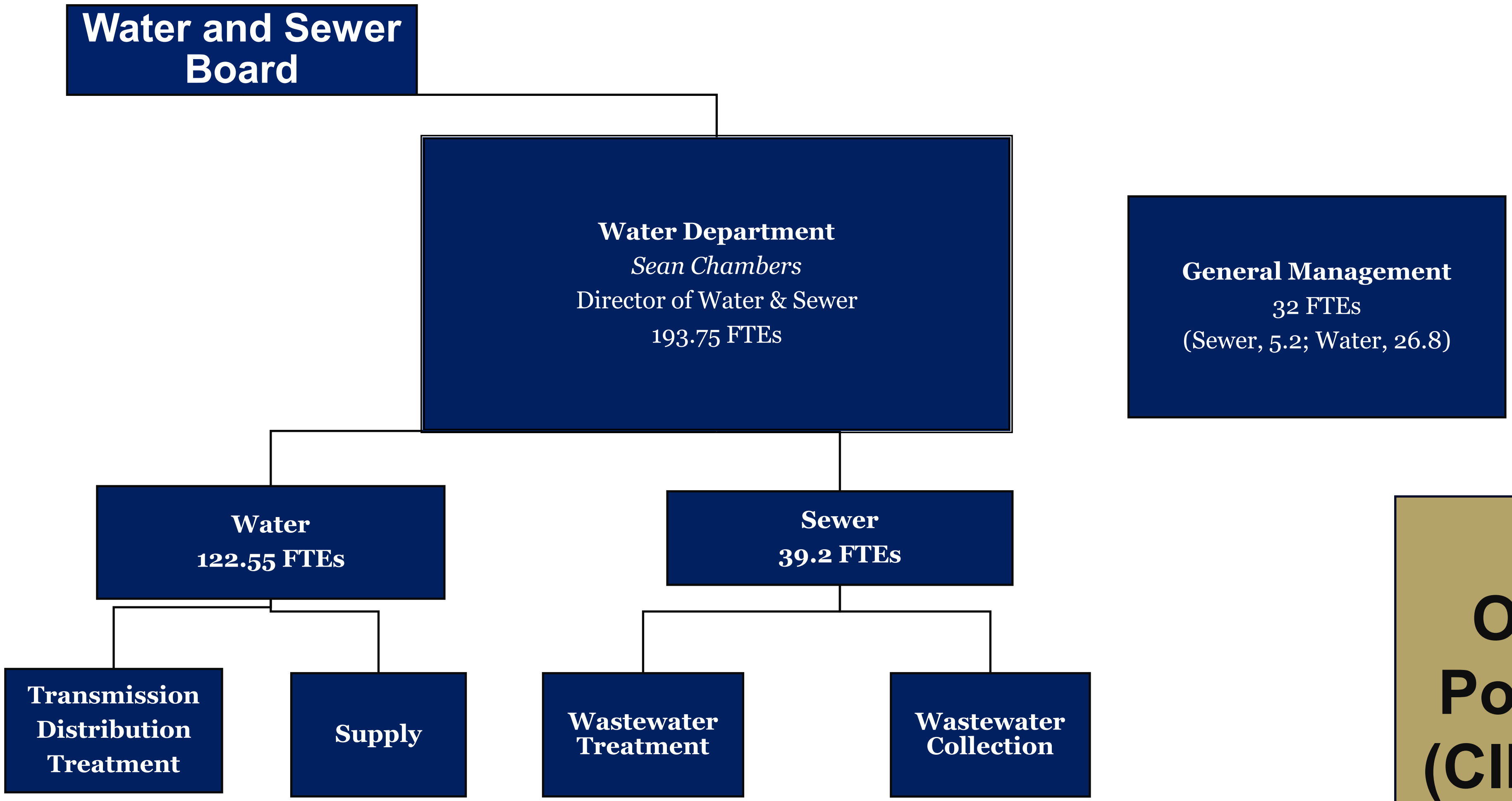
- **W&S Organization, Mission, and Priorities**
- **2025 Expenditures and Revenues**
- **Challenges, Initiatives, and Risks**
- **Innovations**
- **2026 Utility Enterprise Bond Sales**

Purpose:
Presenting highlights from the Annual Financial Report for the Water and Sewer Board for CBAC's review; and

Providing an update on the 2026 Bond Sales being planned.

WS Organizational Chart

193.75 FTEs



One-Time Positions: 9 (CIP Funded)

W&S Mission and 2026 Priorities

Water and Sewer's mission is to provide:

- Safe and reliable drinking water to city residents, businesses, and other customers;
- Cost effective water for irrigation needs by residents, businesses, and governments within the city;
- Environmentally responsible handling of the city's wastewater

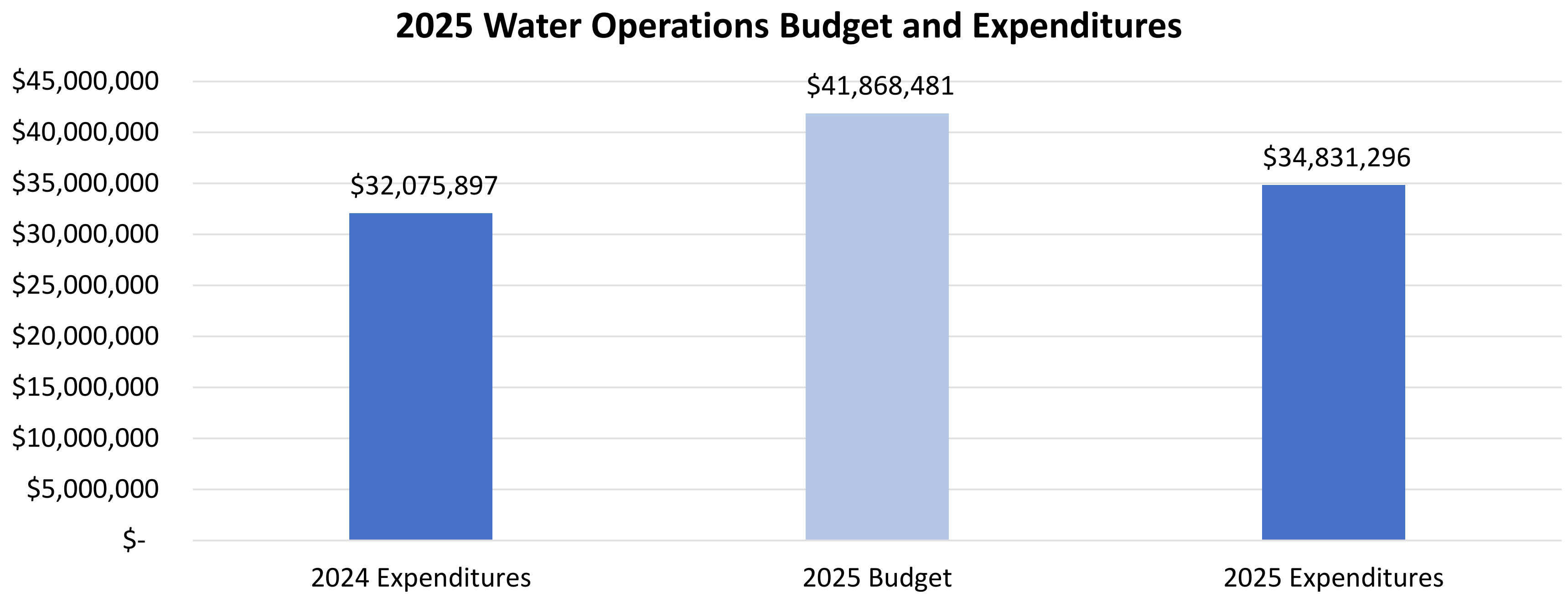
2026 Utility Priorities:

1. Protection of public health, permit compliance, and operational excellence;
2. Planning, asset management, data driven infrastructure investments (CIP), effective project management and adaptive management of drought and water supplies;
3. Team development, investments in training, safety, and communication; and
4. Cybersecurity, technology enablement, data driven policy decisions, and innovation.

Overall Water Enterprise Budget:

General Costs

2025 Water Operating Expenses



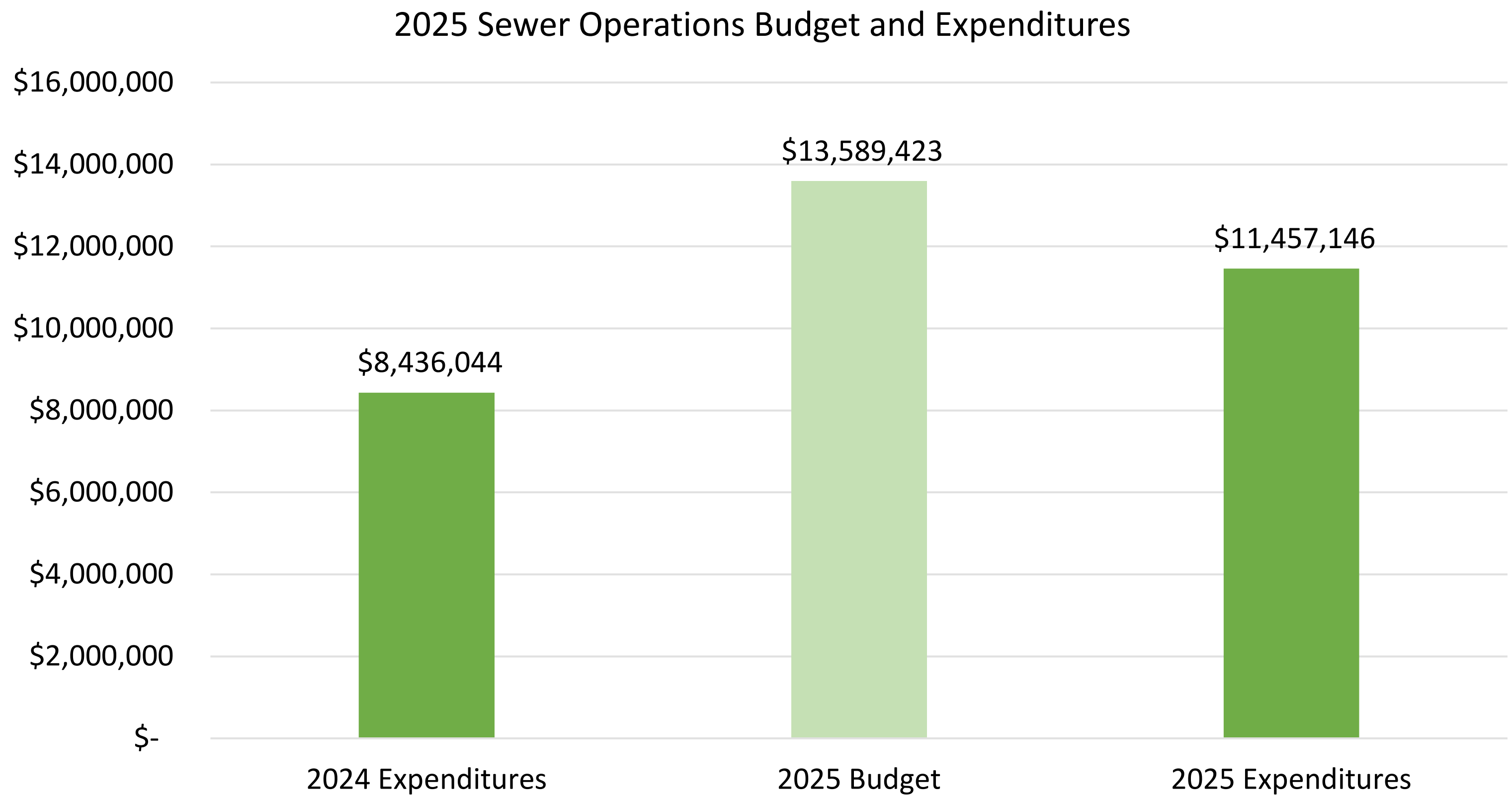
- **2025 Water expenditures were under the budgeted amount by 17%.**
  - Unspent budget was spread evenly across most major account categories, but with signification savings in Salaries, Chemicals, and Services budgets.
  - Customers are using less water, which requires less than planned chemical.
  - 2025 Salary savings of 14%.

  - Charge back for general fund services was increased by ~$1M in 2025

Overall Sewer Enterprise Budget

General Costs

2025 Sewer Operating Expenses

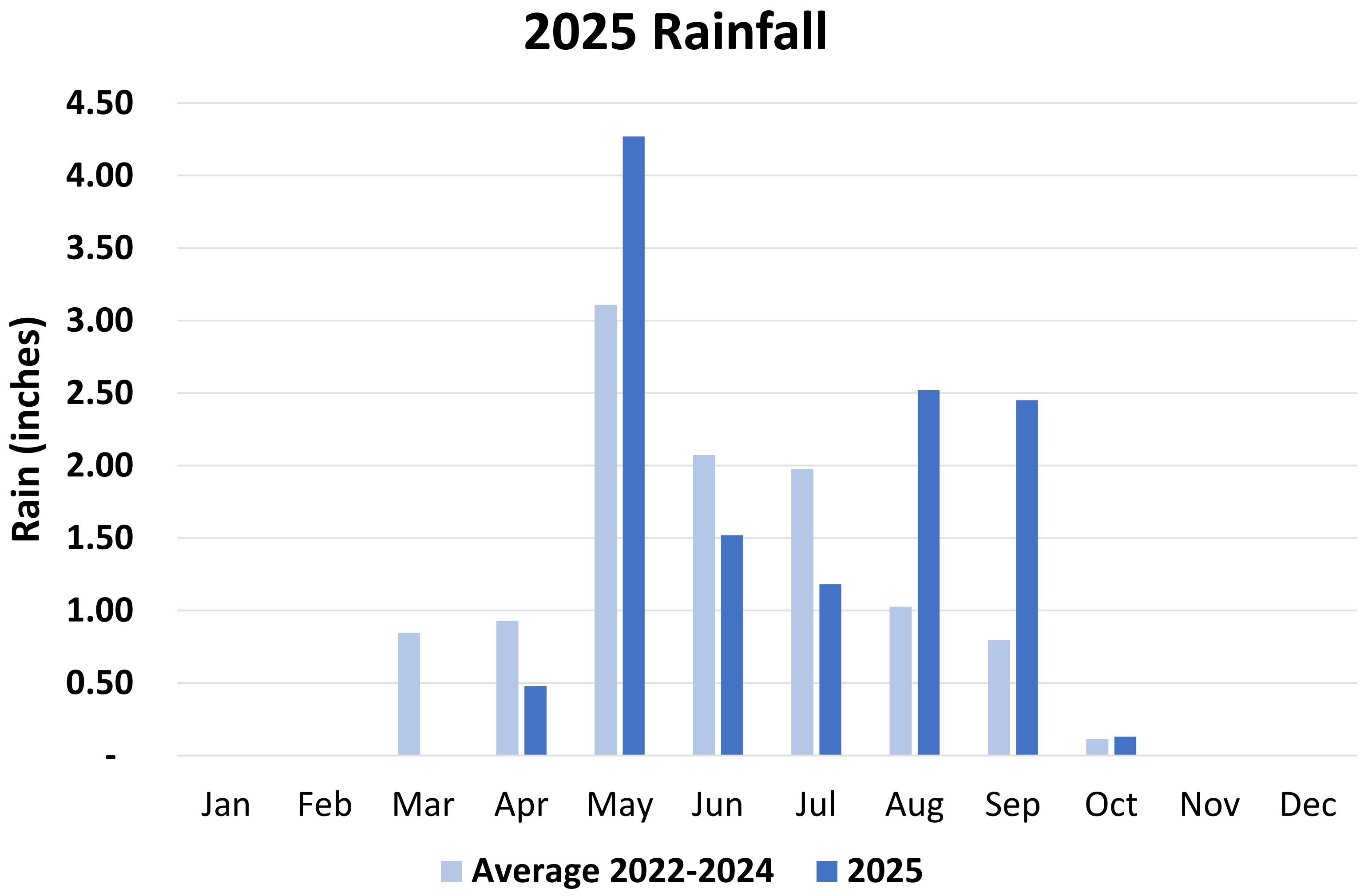


- **2025 Sewer operating expenditures were 36% higher than in 2024:**
  - Increases due to increased cost of insurance, employee benefits, and a significant increase to the internal services chargeback from the city.
    - Sewer chargeback for centralized city services was increased ~$1M.
  - Salary savings in sewer were 22%.

2025 Precipitation

and

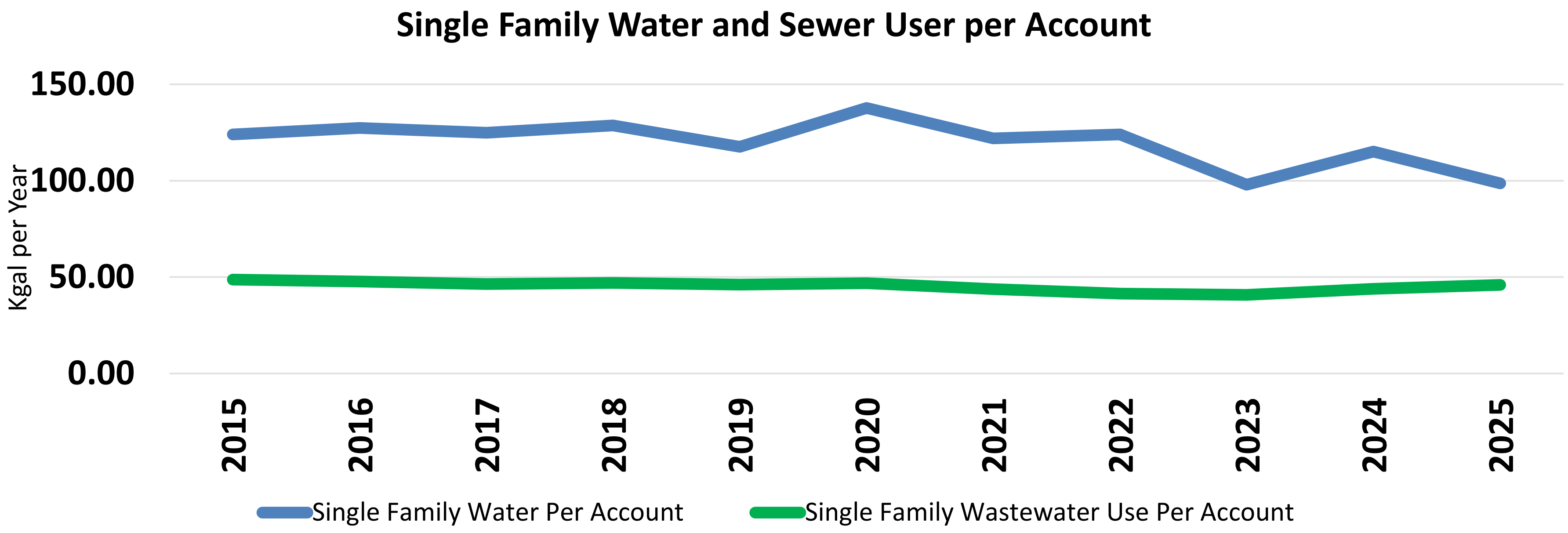
Nexus with Water Enterprise Rate Revenues

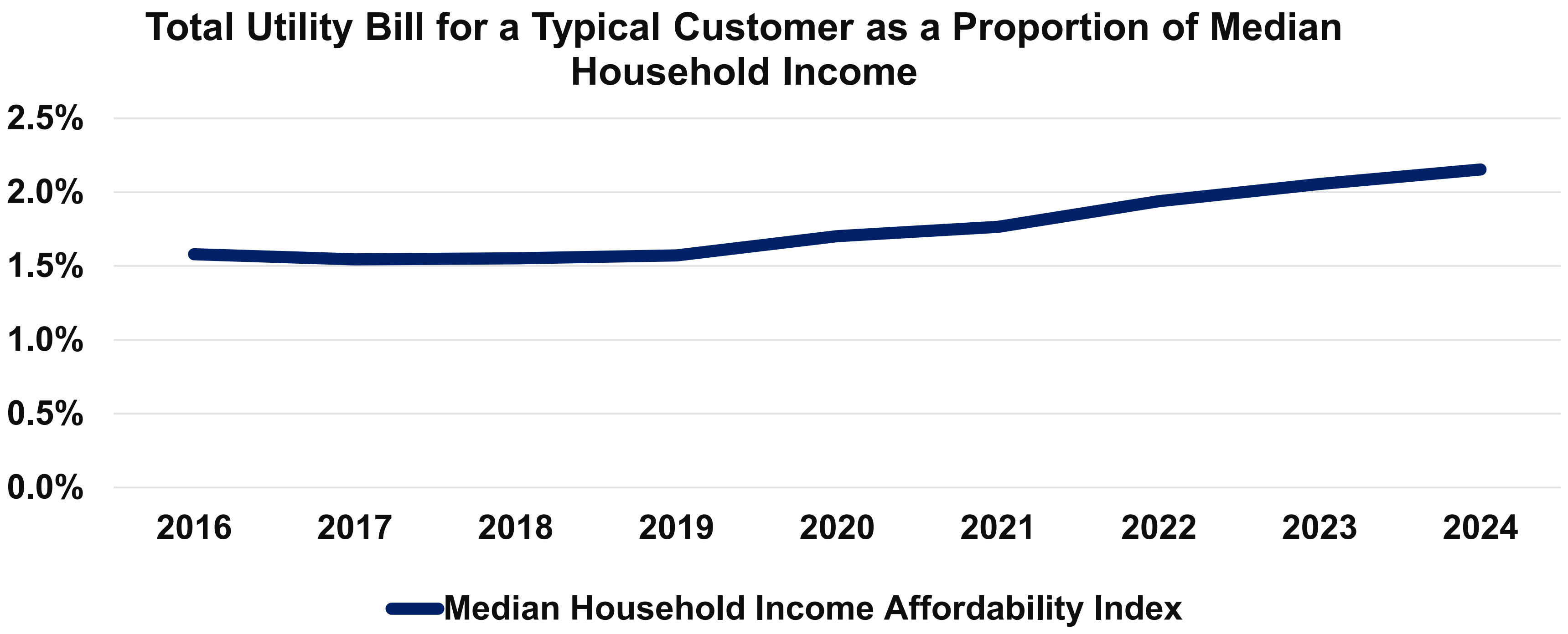


- **May '25 rain helped customers to limit their outdoor water use and delay charging up their irrigation systems;**
- **Aug and Sep ‘25 rain encouraged customers to turn off their irrigation systems early.**

Overall Income Slide

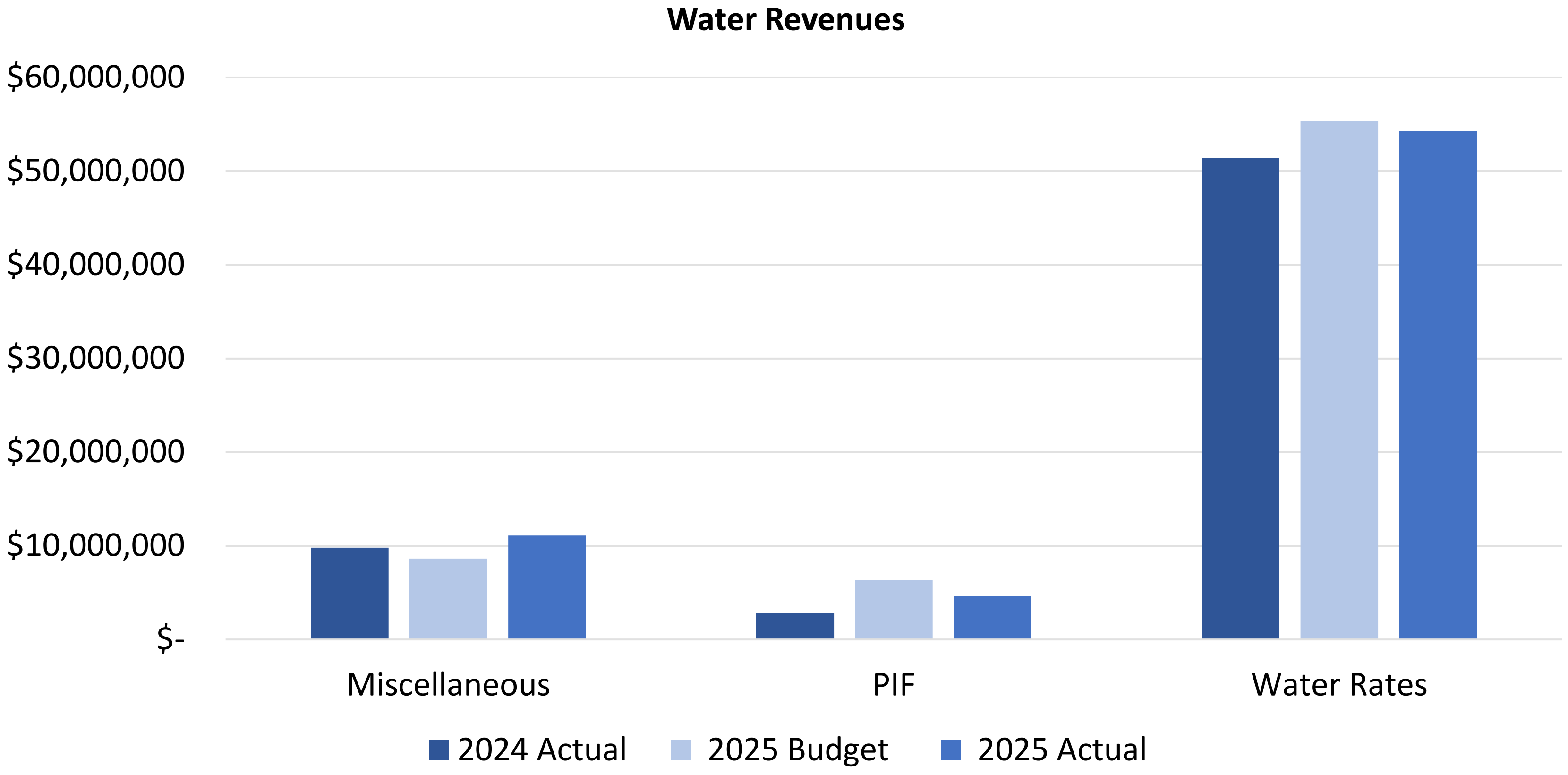
2025 Revenues





Overall Water Enterprise Income

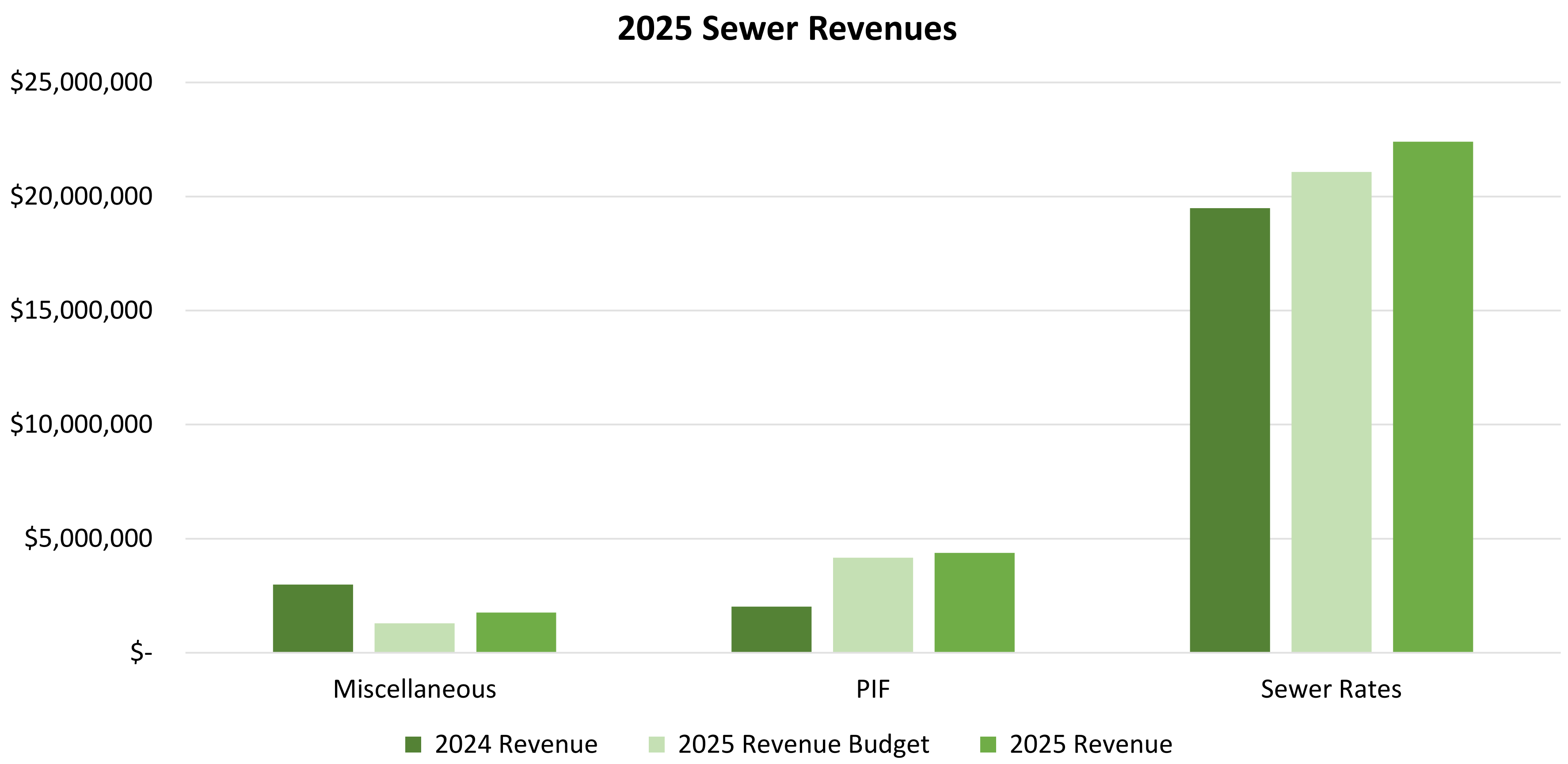
2025 Water Revenues



- **Water Revenue Distribution:**
  - Water Rates – 64% (up from 2024)
  - Miscellaneous – 13%
  - Plant Investment Fee (PIF) – 5.5%

Overall Sewer Enterprise Income

2025 Sewer Revenues



- **Sewer Revenue Distribution:**
  - Sewer Rates – 79%
  - Miscellaneous – 6%
  - Plant Investment Fee (Impact Fee – aka PIF – 15%

Challenges that keep us up at night?

Sleepless in Greeley

- Customer Utility Bills have increased dramatically in recent years;
  - Customers are feeling the ~5 years of double-digit stormwater rate increases that compound on the general increase to water & sewer
  - Customer are growing vocal about cost and questioning value
- Water use per residential account is on a steady decline;
- Most costs of the water fund have increased;
- Customer growth and water consumption growth is needed
  - Growth within the city has been anemic at ~ 300 new housing units in '25
- Additional rate mechanisms to stabilize revenue will be evaluated by the W&S Board.

What W&S Dept. Leadership is doing to keep costs down and accomplish the utilities' mission

- The department reviews cash flow models and capital plans multiple times per year to evaluate changing opportunities and cost savings.
- For the 2026 Budget the department identified more than $700K and 1.0 FTE in budget reductions to offset needed increases.
- Capital Investment is a primary driver of rate increases, and so significant effort is made to identify the appropriate phasing and scope of the capital program to meet the department's mission while minimizing the impact to customers.
- Creation of Primary Employer Water Bank to attract to new industry by leveraging the purchase and sale agreement for Terry Ranch.
  - Should help city to limit its water acquisition capital budget
  - While also attracting non-residential customers

Utility Enterprise Risks

(Now and Future)

- Decreases in customer water use beyond those planned without growth of the city will drive higher than forecasted rate increases.
- Both Water and Sewer operate in a challenging regulatory environment; new regulations drive CIP and increased costs
- Competition in the Northern Colorado Front Range for limited water and sewer operational talent is significant.
  - Operators must be certified by the State of Colorado
- Decisions to manage the costs of the city's capital program by deferred maintenance are not sustainable and increase the risks of leaks and other failures.
- A major challenge for infrastructure is the need to have it built ahead of time to accommodate growth; i.e. North Greeley
- Multi-year drought that would limit water for parks and golf courses, cause drought response and limit revenue collection

What are you doing to innovate within your department for more efficiency and performance?

- 2024 and 2025 budget increases included the creation of a Construction Crew in the Water Distribution unit.
  - Analysis shows that qualified contractors cost approximately 2.5X the internal construction team costs for the same project
- Recruiting treatment plant operators includes one-time incentives to join and stay with the city and promotions tied to achieving certifications with the state.
- Projects to open up West Greeley, Downtown, and East Greeley to future development.
- Creation of an industrial / Primary Employer Water Bank to help generate organic job growth and new water use

What can the CBAC do to help you and your team?

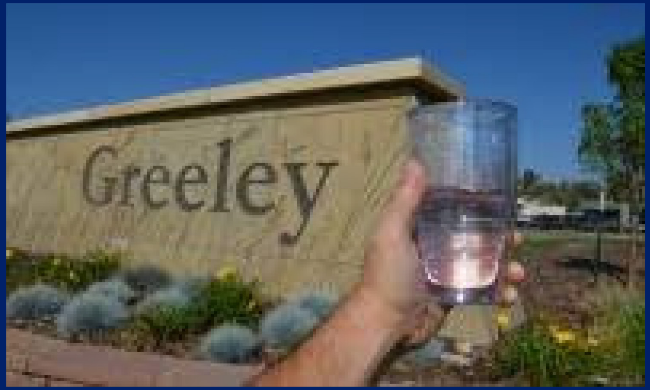
Greeley Water and Sewer Enterprises are planning to issue debt in the next few months:

1. Water Enterprise: ~ $60M
   - Improvements to the Water Distribution system including rehabilitation of downtown assets ahead of the Civic Campus construction.
   - Improvements at the Bellvue Treatment Plant to add contact time of disinfectants and improve water quality, and projects to extend the life of the 1950s era Bellvue North treatment train.
   - Purchase of new senior Water Rights.

2. Sewer Enterprise: ~ $78.5M
   - $48M in rehabilitation and replacement of assets at the Wastewater Treatment Plant.
   - $28M for construction of a gravity sewer needed for properties in West Greeley on both sides of US 34 to develop.
   - $3.5M in replacement and expansion projects in the collection system for downtown, East Greeley, and Garden City.

Thank You!

Questions?



WATER & SEWER

Capital Project Budgeting

Process Overview

Citizen Budget Advisory Committee
Wednesday, March 25th, 2026

Agenda

- Focus Areas for the 2027 Process
- Capital Funding Sources
- Capital Budgeting Process and Timeline
- Scoring Criteria
- CIP Reporting
- CBAC Involvement

Focus Areas for 2027 Process

Communication and Collaboration – across and within departments/divisions

- *To allow for efficiency in capital project timing and expenditures*

Budgetary Constraints – prioritization of projects to meet objectives within the current budget

- *Limited funding capacity*

Reporting – introduce regular project reporting for budget, actuals, and project changes

- *Increase communication and transparency regarding budgeting and spending on capital projects*

Council Focus – deferred maintenance

- *Prioritizing projects that repair and maintain the City's existing infrastructure*

Capital Funding Sources

Fund	Funding Source	Annual Revenue	Use of Funds
Public Improvement Funds (7)	Grants, debt, intergovernmental agreements, and operating transfers	Varies	Varies based on funding source
Public Art Fund	1% of construction costs from eligible capital projects	Varies	Public Art Projects
Food Tax Fund	3.0% sales tax on food for home consumption	$12 Million	Capital Construction & Maintenance
Quality of Life Fund	0.30% dedicated sales tax	$10 Million	CIP for Parks, Trails, Culture, Public Facilities, & Transportation Capacity
Keep Greeley Moving Fund	0.65% dedicated sales tax	$19 Million	Road Infrastructure
Development Funds (6)	Impact fees on new development	Varies	New Infrastructure to support growth
Enterprise Capital Funds (7)	User fees and charges for service	Varies	CIP for enterprise assets like utility infrastructure

Capital Budgeting Process

1. **Project Need Identified**
2. **Project Charter Created (by Project Manager)**
3. **Project Approved by Department**
4. **Project Entered into Budgeting System Platform**
5. **Projects Scored by CIP Scoring Committee**
    - Scoring Criteria
6. **Projects Prioritized by CIP Steering Committee**
    - Impacts on Community
    - Council Priorities
    - Financial Feasibility
7. **Recommendations Shared with City Manager (by Budget, with CIP Directors and CMO Liaisons)**
8. **Recommendations Presented to Council (by Budget and Departments)**

Capital Budgeting Timeline

April → Departments enter new projects

May → CIP Scoring Committee scores new projects

June → Capital Project Prioritization (CIP Steering Committee and CMO)

July → Capital Council Work Session
→ City Manager approves the finalized recommended budget

August → Clean-up appropriation (if needed)

September → City Manager's Budget Presentation

October → Public hearing and final adoption of 2027 Budget

Capital Project Scoring Criteria

Score range from 0-5 on the following criteria:

Max Score = 40

1. Quality of Life
2. Community Need
3. Public Health, Safety, & Security
4. Documented in Adopted Master & Strategic Plans
5. Related to Other Funded Projects (City and/or External Agency)
6. Situation/Asset Condition (Urgency/Need)
7. Regulatory Compliance
8. Business Growth
9. Resources Requirements and Operational Impacts

New CIP Reporting Process

Intent: Improved transparency around capital project planning and implementation

Quarterly Council Work Sessions

Capital Budget vs Actuals

Project Status Changes
- Funded vs Unfunded
- Summary of Transfers
- New Projects

Project List by Category
- With % of Total Budget Spend
- Project Progress for Select Projects, as Identified by Council

Reporting Categories:

- Safe and Accessible Public Buildings
- Reliable Transportation and Mobility
- Clean and Reliable Water, Sewer, and Stormwater Systems
- Parks, Open Space, Recreation, and Cultural Spaces
- Community Growth and Place-Based Development
- Technology, Systems, and City Operations

CBAC Involvement

Help shape how the Committee can add value within the CIP process while staying aligned with City priorities and decision-making frameworks.

Where could CBAC be most impactful?

- Providing input on community priorities and tradeoffs
- Offering perspective on project scoring criteria or outcomes
- Reviewing and giving feedback at key milestones in the CIP process
- Supporting transparency and community understanding of capital investments

Thank You!

Questions?

2027 CBAC Budget Update

Nathan Mosley, Budget & Policy Director
Citizen Budget Advisory Committee – March 25, 2026

City of Greeley Colorado

City of Greeley Colorado

2027 Budget Update Agenda

Intent: Reaffirm Challenge, Share Approach & Discuss Next Steps

- Review Fiscal Challenges
- ACTION Framework
- City Council Retreat Feedback
- 2027 Budget Development Approach
- Budget Calendar
- Next Steps

Context for 2026 & Beyond

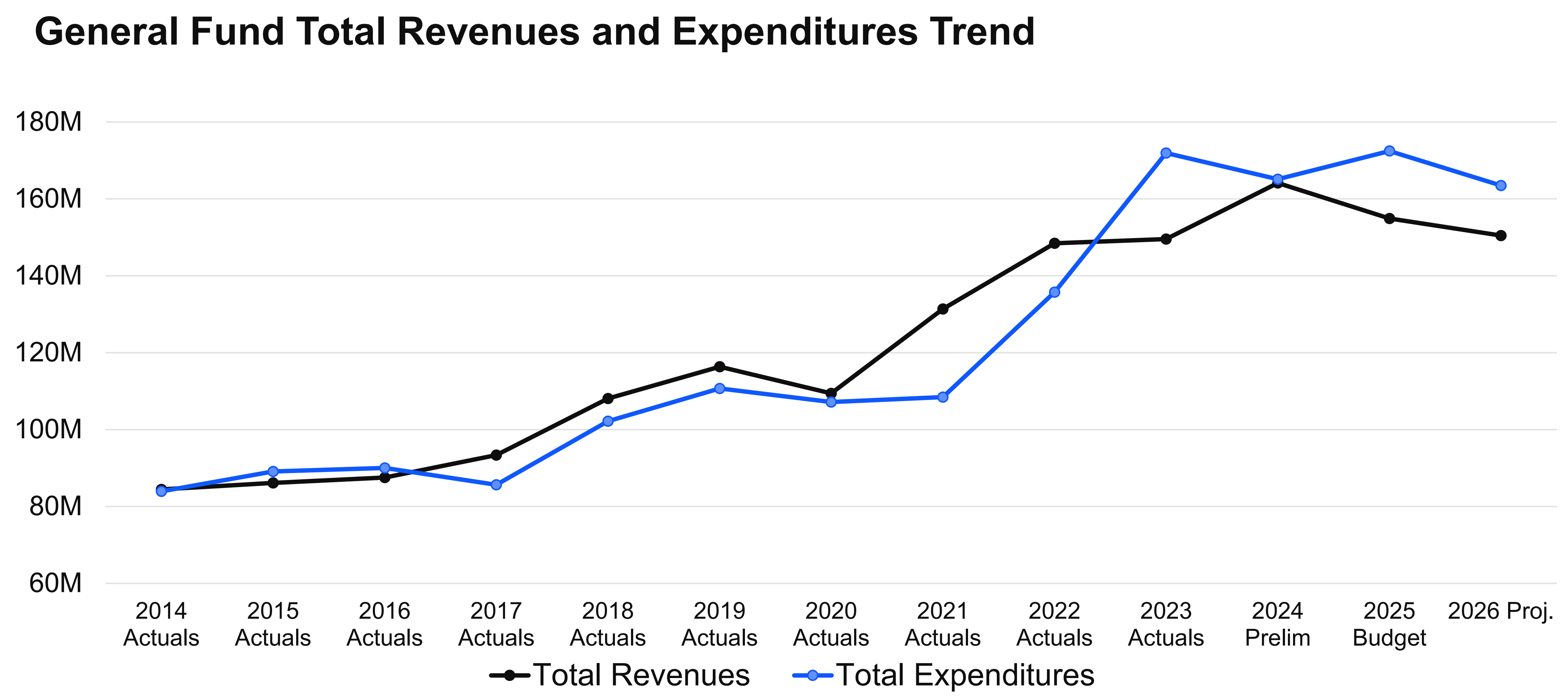
Volatile Economic Conditions

Uncertain Revenues

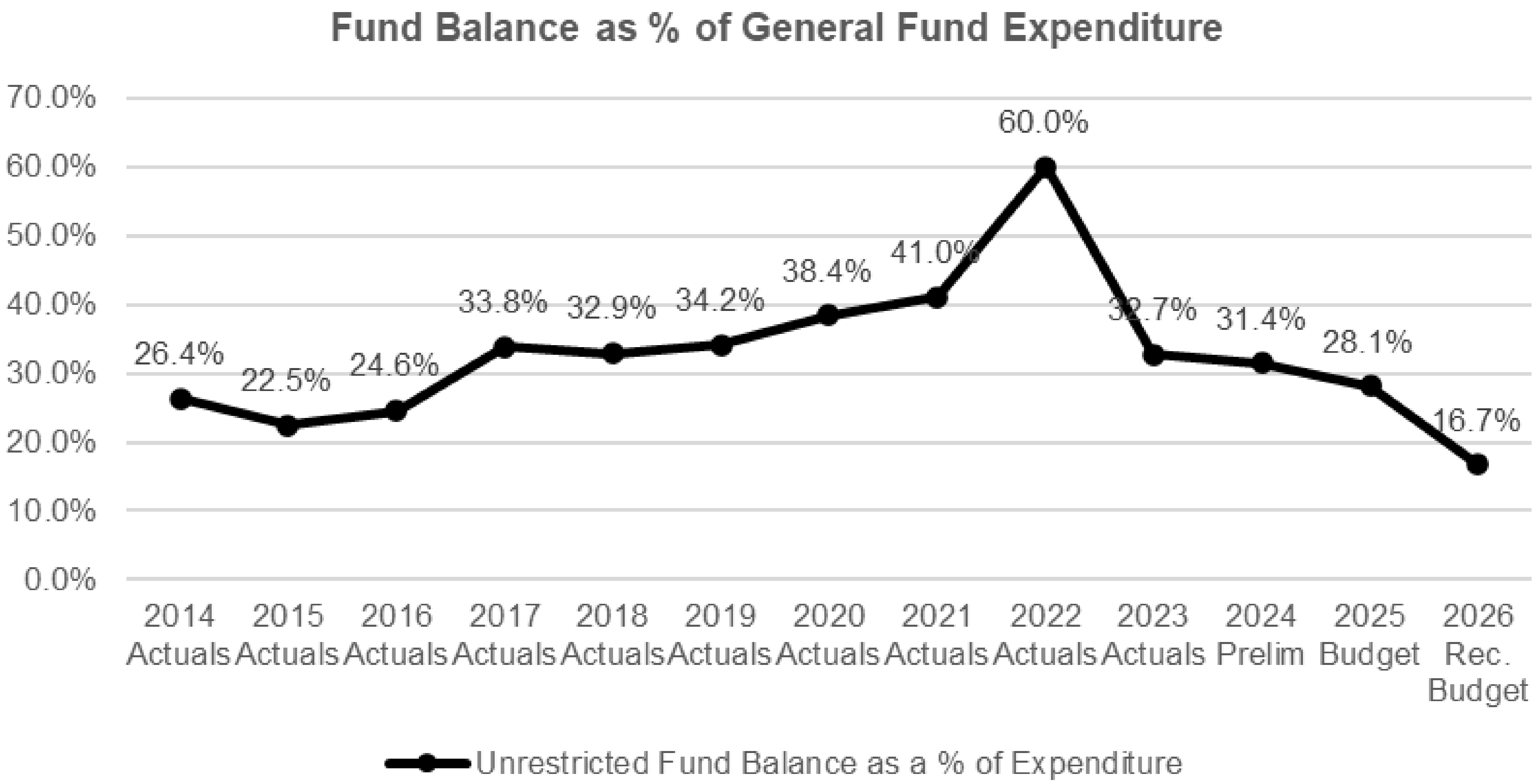
Increases in Programs & Expenses

= Budget Gap

Recent Trend: Expenditures Exceeding Revenue

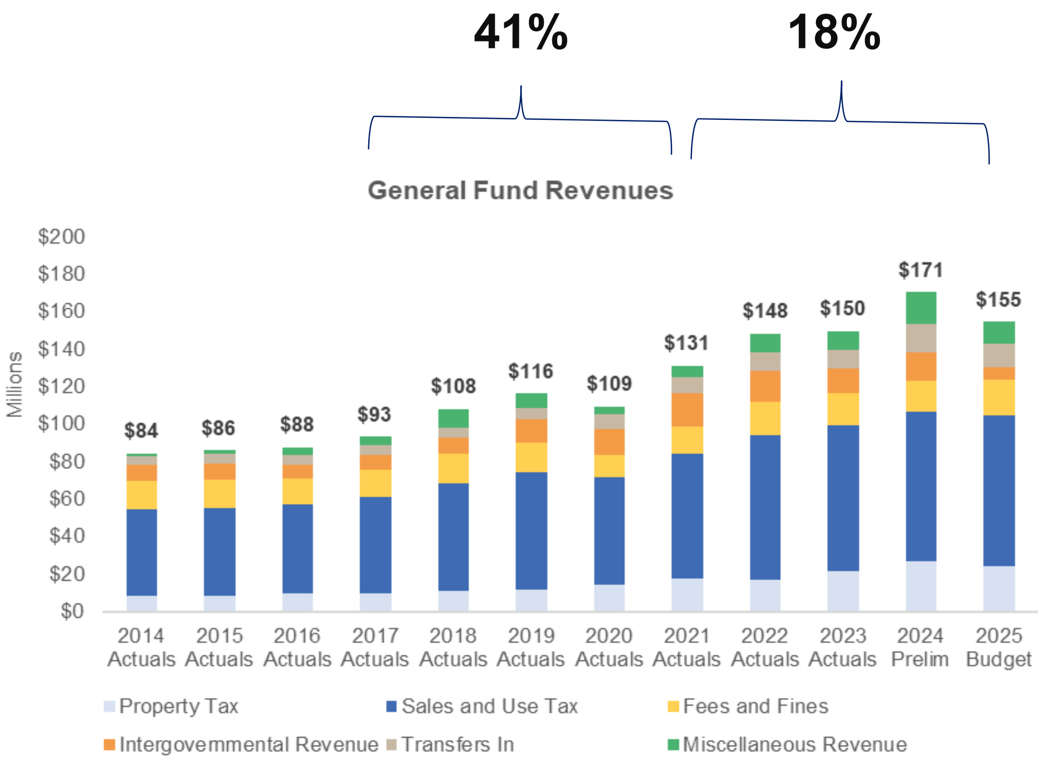


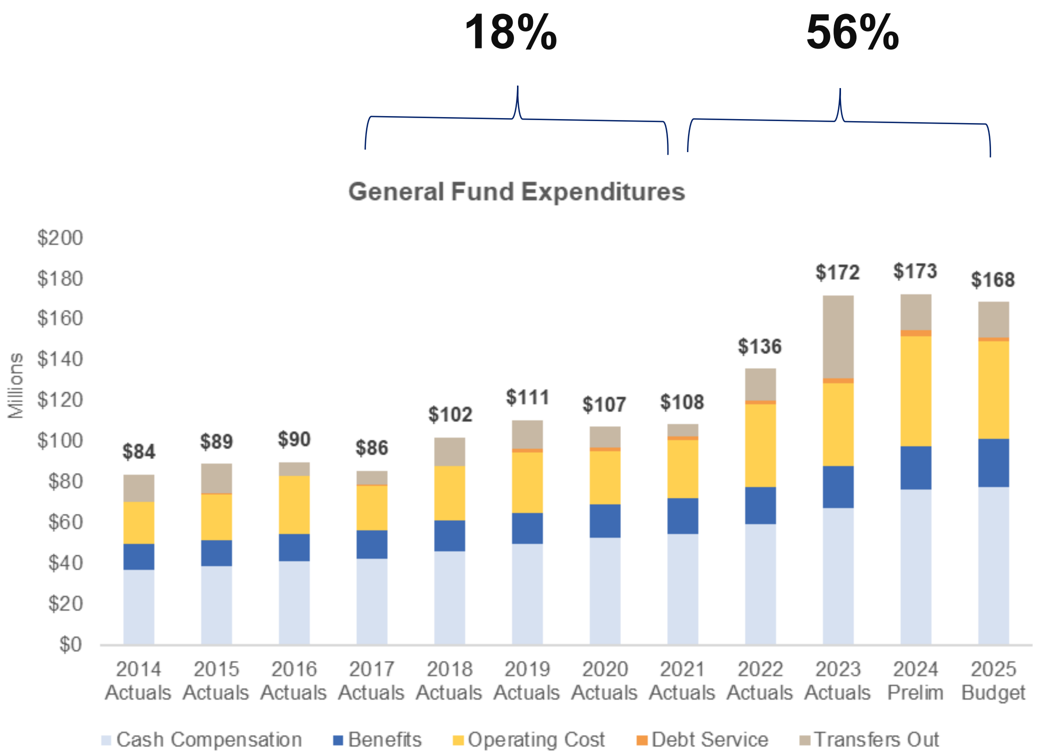
Corresponding Fund Balance Trend



16.7% = Required 2-Month Operating Reserve

Revenue & Expenditure History





Long Term Financial Sustainability

The 2026 budget strategically uses one-time resources to sustain core services while preparing for structural adjustments necessary to align our expenditures with our expected revenues in the future.

This course of action is not sustainable.

2027 Budget Development Process is the time for ACTION!

ACTION

A – Acknowledge

C – Confront

T – Transparently Explain

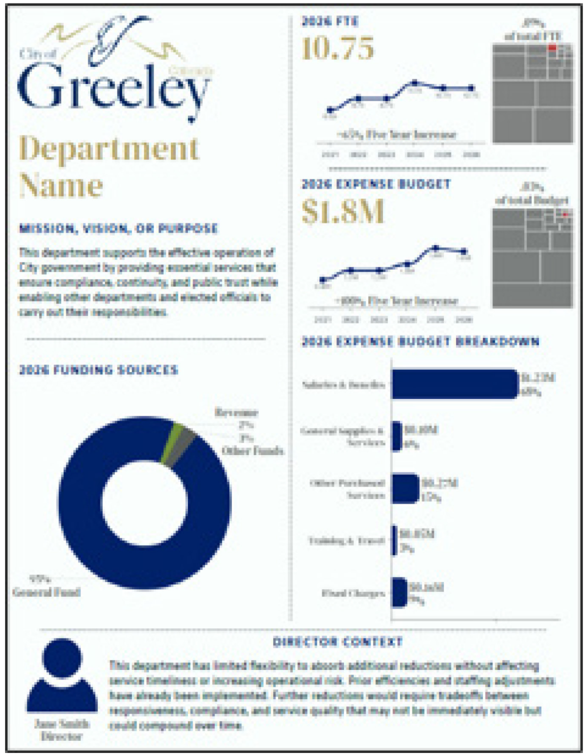
I – Involve & Innovate

O – Own

N – Navigate Forward

City Council Strategic Planning Retreat

- Retreat Planning
  - Department One-Pagers
  - Survey Questions
- Retreat Feedback
  - Helped inform Targets
  - Policy Direction/ Not program selection
- Department Ranking
  - Tier C – Lower Share of Reduction
  - Tier B – Balanced/Moderate Reductions
  - Tier A – Higher Share of Reductions
- Alignment w/ City Council



Council's Budget "Buckets" for Targeting

Higher Share of Reductions

What this means:

- Departments expected to contribute a larger share toward closing the gap

- City Manager's Office
- Governmental Affairs
- High Performance Government
- Homeless Solutions
- Communication & Engagement
- Economic Development & Urbanization
- Office of Emergency Management
- Human Capital

A

Balanced / Target-Based Reductions

What this means:

- Departments where reductions are more evenly distributed
- Opportunities for right-sizing, phasing, or service adjustments

- Code Compliance
- Risk & Safety
- Culture, Parks, and Recreation
- Housing Solutions
- Information Technology
- City Attorney's Office
- Budget & Policy
- City Clerk
- Human Resources
- Public Works
- Finance
- Community Development
- Municipal Court
- Water & Sewer

B

Lower Share of Reductions

What this means:

- Budget changes, if any, are expected to be limited and targeted
- Focus is on sustaining service levels and managing cost pressures

- Fire
- Police

C

Target-Based Budgeting

- Determined Methodology
- Developed General Fund Revenue Projections
  - **$157.5M**
- Developed Internal Chargebacks and other required expenses (off the top expenses)
  - Debt, utilities, liability charges, etc.
  - IT, Fleet Chargebacks
- Target General Fund Budget
  - **$134.5M**

Target-Based Budgeting Continued

Expectations for Departments

- Departments MUST develop a proposal that meets their target and…
  - Describe the service level impacts both externally and internally
  - Expense reductions & Revenue Increases contribute to closing the gap
    - Any fee increases proposed must be market competitive and revenue projections must be defensible

2027 Budget Development Timeline

Event	Dates
Budget Kick Off	March 11
Draft Budget Proposals Due	April 24
ELT Peer Review Process	April 29 – May 5
Final Budget Proposals Due	May 15
AC/DCM Portfolio Meetings	May 15 – June 5
CMO Budget Sessions	June 8 – June 26
City Council Summer Work Sessions	July 7, 14, 28 (CIP)
Proposed Budget Development	Aug. 3 – Sept. 4
City Council Fall Work Sessions	Sept. 8 & 22
Public Hearing & 1st Reading	Oct. 6
Public Hearing & Adoption	Oct. 20

Next Steps:

Next Steps:

- Sharing of Department Targets w/ Department Directors
- March 13 – 2027 Budget Prep Guide
- Week of March 30
    - Monthly Department Budget Mtgs
    - Budget Submission Window Opens
- April 7, 8, 13, 15
    - Budget Submission Trainings
- April 24 – Draft Budget Submissions Due

Thank you

City of Greeley Colorado

2026 CBAC Annual Agenda
Preliminary Draft

January 28th

- Bylaws Adoption
- Review 2026 CBAC Agenda Items
- Voting on Chair/Vice Chair for 2026

February 25th

- 2025 Year in Review
- Municipal Budgeting 101

March 25th

- Economic Development & Urban Revitalization Overview
- Water & Sewer Financial Report
- 2027 Capital Improvement Update
- 2027 Department Budget Development Update
- Future Meetings Agenda Review

April 22nd

- Information Technology – Update/Projects
- Office of Emergency Management overview

May 27th

- Public Works Overview –
- Keep Greeley Moving Annual Update
- Cascadia Update – Allena Portis

June 24th

- Human Resources Overview – Martha Lanaghen
- Fire Dept Overview – Brian Kuznik

July 22nd

- 2027 Budget Outlook
- Housing Overview – Deb Callies
- Homelessness Solutions Update – Mandy Shreve
- Sales Tax Revenue Analysis – Robert Miller

August 26th

- W&S Budget Overview – Virgil Pierce & Erik Dial
- Capital Improvement Plan – Kalen Myers

September 23rd

- Police Department Overview – Chief Turk
- 2027 Budget CBAC Recommendation – Nathan Mosley

October 28th

- City Clerk's Office – Heidi Leatherwood
- Food Tax Annual Update – Kalen Myers
- 2027 Budget Adoption – Nathan Mosley

November 18th

- City Attorney Overview - Stacey Aurzada / Rachel Cook
- Municipal Court Overview – Judge Gonzales / Krista Bagnall

December

- Cancelled