CITIZEN BUDGET ADVISORY COMMITTEE

Wednesday, June 24th, 2026 - 5:00 p.m.

Committee Members	*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
Nathan Mosley: Budget & Policy Director
Kalen Myers: Deputy Budget & Policy Director
Laura Delp: CBAC Secretary

CALL TO ORDER
The meeting was called to order at 5:02pm.

ANNOUNCEMENTS
Members also discussed recent turnover and clarified the current number of filled and unfilled seats.

The committee agreed unanimously to formally accept Khalil Banji's resignation.

APPROVE MINUTES FROM MAY 27TH, 2026
The minutes were approved after a motion by Lori Williams and a second by John Shull, with Chair Eastman abstaining, as he was not present at the May meeting.

QUARTERLY TREASURER'S UPDATE
The quarterly financial update was presented slightly earlier than usual to support the upcoming budget process. The overall message was that there have not been major shifts since the last update, but economic conditions remain mixed and uncertain.

At the state and regional level, retail sales growth was described as modest, inflation as moderate but still somewhat elevated in Colorado compared with the national average, and unemployment as declining somewhat from earlier levels. Short-term interest rates were described as highly volatile, making financial planning more difficult. The city's economic outlook was characterized as stable but uncertain, with continued exposure to broader market conditions and the possibility of recession always remaining in the background.

On the positive side, the city continues to see residential construction activity. Through the first five months of the year, the city had nearly reached its anticipated housing unit pace, with strong multifamily activity and continued single-family development, though single-family growth was noted as more financially beneficial from both income and tax perspectives. Commercial development was lower than the prior year, but overall construction activity was still meaningful.

The city is benefiting from higher reserve balances and the current interest-rate environment, which is producing substantial interest earnings across city funds. However, only a relatively small portion of those earnings directly benefits the general fund. Additional savings are also expected from staffing vacancies and restructuring-related changes, although some of those savings are offset by short-term transition costs.

Oil and gas-related revenues were described as a continued positive factor for the city. Even though oil prices have declined from earlier peaks, they remain high enough, together with Weld County production levels, to support severance tax, royalty, and related revenues over the coming months. The update noted that there is a lag between production and when revenue effects are fully realized.

Sales tax performance remains generally positive, with city growth still tracking at about five percent, which was described as consistent with the city's historical average and budget assumptions. At the same time, food tax revenue is down. That decline was attributed not to reduced consumer activity overall, but to residents purchasing lower-cost items and shifting spending patterns toward cheaper goods. This "trading down" effect is reducing taxable food spending even as purchasing continues.

It was also noted that the city currently estimates about $1.6 million in general fund carryovers from excess revenues and savings realized so far this year, with the caveat that the figure could still rise or fall depending on the remainder of the fiscal year.

Overall, the treasurer's update suggested that while some revenue streams are holding up reasonably well, the city remains in a cautious planning posture due to volatility, uneven performance across categories, and the need to preserve flexibility heading into the 2027 budget process.

CIP PRIORITIZATION/SCORING REVIEW/FUND BALANCE UPDATE

The committee received a detailed update on the Capital Improvement Program, including how projects enter the process, how they are scored, and how current major commitments are affecting the city's capital capacity.

The capital budgeting process begins when a project need is identified, whether through a master plan, operational need, infrastructure condition, or community concern. Departments then prepare a project charter describing the need and scope, after which projects are submitted for consideration and evaluated through a formal scoring and review process before recommendations go to executive leadership and City Council.

It was explained that the 2027 capital cycle is now midstream. Departments submitted projects in April, scoring was completed in May, and the Capital Steering Committee has been meeting throughout June to prioritize projects while balancing limited funding. Recommendations are expected to go to Council in July and then become part of the proposed budget later in the year.

Projects are scored across four main categories: community impact, alignment with Council priorities and adopted plans, asset condition and regulatory drivers, and financial or operational implications. Each project receives a score intended to create a consistent basis for comparison across many different service areas, including water, sewer, streets, facilities, parks, and recreation. This is especially important where multiple departments are competing for the same limited capital dollars.

For this cycle, departments submitted 36 new capital requests totaling just over $40 million. It was emphasized that departments are encouraged to submit projects whether or not funding appears available so the city can identify unmet needs and communicate unfunded priorities to Council. Food tax-funded projects make up the largest share of new requests, followed by water system improvements and park development. The highest-scoring projects generally address aging infrastructure, system reliability, public safety, and growth support, but staff stressed that a high score does not guarantee funding. A question was raised about the FASTER fund, and staff explained that it is a restricted funding source tied to vehicle-related taxes and intended for traffic safety improvements such as signal replacements.

The most significant part of the update focused on what staff described as the city's three major capital pressures: West Greeley Catalyst, Downtown Civic Campus, and MERGE. These projects are large enough that they dominate current capital planning and materially reduce the city's flexibility to fund other worthwhile projects. Staff made clear that before new projects can be added, the city must account for these existing or anticipated obligations. As a result, many other projects will likely need to be phased, delayed, reduced, or deferred.

To illustrate the challenge, staff described long-range financial modeling over a 20-year horizon using two broad scenarios. One scenario uses cash-flow management and interest-only financing in early years to reduce immediate cuts to the capital program. The other assumes more level financing, which would force much more severe reductions and even negative cash flow in some years. Under either scenario, funding for new projects will be very constrained, and even annual maintenance and replacement funding may need to be reduced. Staff noted that under the more manageable scenario, annual maintenance still drops by roughly 25 percent in the early years.

The presentation also clarified that the city is currently modeling the West Greeley Catalyst project on a conservative or worst-case basis, assuming the city remains responsible for the debt unless a partner solution changes that picture. If a successful project partner arrangement materializes, that would free up capacity for other capital priorities.

The debt scale associated with the major projects was described as very large. West Greeley was discussed as roughly a $90 million certificates-of-participation repayment obligation, Downtown Civic Campus as roughly an $80 million certificates-of-participation project, and MERGE as a project still being refined but on the order of approximately $130 million, with possible federal TIFIA financing in the range of $30 million to $40 million. These obligations would need to be repaid from combinations of food tax, quality-of-life funding, and potentially the general fund, although the general fund is already under pressure.

Committee discussion also touched on recreation-related capital needs and whether fee increases could help. Staff explained that user fee adjustments may support operations, but they are unlikely to cover major capital investments due to the size of those costs. This reinforced the importance of dedicated capital sources such as food tax and quality-of-life funds, particularly for parks, recreation, and facilities. Members also raised equity concerns about making recreation access too expensive for lower-income users.

The update concluded with the understanding that staff will continue refining assumptions, phasing options, and reductions before presenting a recommended CIP to Council. The committee generally accepted the presentation as a useful explanation of the tradeoffs the city is now facing between major strategic projects and routine capital reinvestment.

BUDGET PROPOSAL UPDATE/DIRECTOR'S UPDATE

The committee next discussed the budget update process itself, beginning with feedback on the written memo format. Members generally indicated that the memo is useful and appreciated, especially when paired with a brief verbal overview rather than a full presentation.

Staff then summarized the current status of the 2027 budget gap. The total shortfall being addressed is $18.1 million. After the June Council work session, approximately $7.8 million in reductions had already been identified across about 13 departments. Two additional Council sessions in July are expected to cover another $9.3 million in proposed reductions, with especially large reduction packages coming from Culture, Parks and Recreation and Public Works. At that point, the city remained about $965,000 short of its target, but leadership expressed confidence that the remaining gap could likely be closed through the submitted proposals and updated revenue assumptions.

Staff outlined the remaining budget timeline. Following the July Council feedback sessions, internal meetings with the City Manager will be used to finalize assumptions for the proposed budget. Staff expects to develop the proposed budget in August, provide this committee a preview later that month, present the proposal to Council in early September, hold two September work sessions, and move to public hearing and adoption in October.

The discussion emphasized that there is no easy or positive way to characterize many of the coming reductions. Staff acknowledged the cuts are difficult and painful but also expressed pride in the effort departments have made to find practical, thoughtful ways to minimize resident impact. The situation was also framed as an opportunity to improve processes, systems, software, and general operating efficiency.

A substantial portion of this agenda item focused on public communication. Members raised concerns that the broader community may not understand the scale of the budget challenge or the reasons behind particular cuts. There was concern that public perception is being shaped by isolated news coverage, partial information, or prior messaging that emphasized specific city initiatives without preparing residents for the possibility that those efforts might later be scaled back.

One major example involved homelessness and housing-related work. Members noted that the city had previously communicated strong support for those efforts, highlighting them as important community investments. Now, with significant reductions or elimination of some of that work, the public may see a contradiction unless the city clearly explains what changed. Members stressed that the problem is not just that services are being reduced, but that the city needs to explain how funding structures shifted, what grants had supported the work, what remains, and what the city learned from the experience.

The conversation repeatedly returned to grant dependency. Members observed that some highly visible reductions are driven not only by the city's general fund pressures but also by grants drying up. They said the public may not distinguish between city-funded programs and grant-funded activities unless staff explains it carefully. A key lesson identified was that the city cannot build entire ongoing service models around uncertain grant funding without creating serious long-term risk.

Members also emphasized the need for more foundational public education about municipal finance. They suggested a return to something like "Budget 101" communications to explain how the budget works, what grants are, what funds are restricted, what special taxes are dedicated to specific uses, and why money cannot simply be shifted from one purpose to another. This was described as essential to maintaining trust, especially when the city may eventually need public support for future fiscal actions.

Staff acknowledged that communications capacity is limited because the communications function itself has been affected by staffing reductions, and budget staff are simultaneously trying to manage both technical budget work and public explanation. Even so, staff noted that a communication plan exists and that this committee could provide valuable feedback on key messages, channels, and outreach strategies.

The committee discussed possible communication methods, including outreach through organizations such as the Chamber of Commerce and Rotary, as well as the idea of using a small subgroup or "tiger team" of committee members to work more directly with staff on messaging and outreach between formal meetings. Members suggested that smaller working groups may be more effective than relying only on discussion during regular meetings.

The agenda item also included a brief update on a ballot initiative discussion headed to Council. Staff indicated the early results were not favorable for broader ballot options, and that no specific recommendation was being advanced at that moment. However, members heard that some charter language issues, including judicial-related provisions, likely still need to be corrected through a future ballot process even if larger fiscal or structural ballot measures do not move forward immediately.

FUTURE MEETINGS AGENDA REVIEW/3-MONTH LOOK AHEAD

The committee reviewed likely agenda items for the next several meetings and used this discussion to connect future planning with the communication and budget issues raised earlier.

For July, expected topics include the continuing budget proposal update, an audit update, and potentially a presentation from the communications team on the city's strategic communication plan for the 2027 budget. Members were asked to think ahead about useful venues and formats for public outreach, including where printed information, in-person discussions, or other materials might be most effective.

Members generally agreed that in-person engagement may be more effective than passive communications alone. Potential outreach opportunities mentioned included Chamber events, Rotary, and similar community or business forums where residents and stakeholders already gather. The goal would be to explain the city's financial situation directly, answer questions, and help trusted community members carry the information forward through their own networks.

The committee also discussed whether a smaller advisory subgroup could be created to work more directly on communications, consistent with the earlier "tiger team" concept. That subgroup could help review messaging, provide feedback outside regular meetings, and potentially assist with outreach strategies before reporting back to the full committee.

Looking ahead to August, the committee expects to begin discussing its own budget recommendation to Council. September is expected to be the month when that recommendation is finalized. The committee also expects to continue receiving periodic updates on recurring topics such as Keep Greeley Moving and food tax, but members said those updates should likely be shorter and more strategic.

Several members indicated they do not need highly detailed operational presentations on those recurring topics. Instead, they would prefer concise overviews showing how much revenue was collected, what projects were completed, what projects could not be completed, and whether implementation is generally on track. They suggested that using the city's newer presentation template and limiting department presentations to a shorter timeframe would reduce staff workload while still giving the committee enough information to identify concerns and provide feedback.

The committee was also encouraged to think ahead to October and identify any additional topics it may want to address so staff can coordinate with departments in advance. A question was raised about whether future agendas should leave room for discussion or possible recommendations related to ballot initiatives if those become more relevant after Council discussion.

PUBLIC INPUT

A public attendee, Megan Kennedy, introduced herself as an artist and engaged community member who is becoming more active in local government. She stated she was attending as an observer, not as an applicant for the open committee seat, and expressed interest in learning more about the committee's work.

The discussion returned to public engagement and networking opportunities. The public attendee and committee members noted that community organizations and nonprofit networks can be useful places for city outreach, including relationships connected to the Creative District, Weld Trust, the Chamber, Rotary, and overlapping civic groups. The overall sentiment was that these existing networks could help the city build stronger communication channels with the broader public.

Members also expressed appreciation for the quality of communication staff have been providing internally to employees. In particular, the city's internal budget update emails were praised as a strong model because they explain difficult issues clearly and help employees carry accurate information back into the community through their families and neighborhoods.

The internal budget communications were also described as useful because they explain foundational governance concepts that many people do not fully understand, such as the city charter and home rule authority. Members noted that basic explanations of how city government works can do a great deal to improve public understanding and trust. The public input portion ended on a supportive note, with praise for staff's handling of a difficult budget environment and appreciation for the effort being made to communicate honestly and consistently.

ADJOURNMENT

The meeting adjourned at 6:27pm.

Next Regular Meeting:
July 22nd, 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)

Signed by:
Nathan Mosley
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Budget & Policy Director

Signed by:
Barry Eastman
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Chairperson