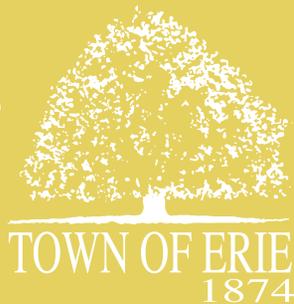


TOWN OF ERIE POPULAR ANNUAL FINANCIAL REPORT

# ERIE, COLORADO



2012 ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012



# Financial Report Message

The Popular Annual Financial Report (PAFR) highlights accomplishments for the year ending December 31, 2012 that were key to maintaining Erie as a quality community and one that is also financially viable for the short and long term. This report is an overview of the financial position of the Town. Information presented here is in summarized and condensed form. The PAFR is intended to help Erie's residents gain a better understanding of local government. It is not intended to replace the Comprehensive Annual Financial Report (CAFR), which is available on the Town's website.

**FINANCIAL STEWARDSHIP** – The Town continued to exercise fiscal prudence as the national and local economy continued its recovery. For example, the Town's General Fund ended 2012 with reserves equal to 80% of 2013 expenditures. Tight expense control has been maintained in all funds. At the same time, the Town's total property tax mill levy declined from 17.376 mills in 2011 to 17.146 in 2012. (For example, if you owned a home with an appraised value of \$350,000 your total Town of Erie mill levy for 2011 was \$484.10 and for 2012 it was \$477.68.) As the Town continues to grow and diversify its economic base, increased levels of sales and use tax revenues can be anticipated, in addition to other revenue sources not directly dependent on residential development.

**ENVIRONMENTAL STEWARDSHIP** – In Erie, sustainability is more than an option, it's part of daily life. As a result, we're well on our way to becoming a model for eco-friendly civic development with environmentally sound "green" practices that include a town-wide interconnecting trail system, a thermal solar system at the Erie Community Center and PV solar system at the Leon A. Wurl Service Center. 2012 initiatives included:

- Construction of a 1,000 acre foot re-use reservoir at our North Water Reclamation Facility. This class 2 re-use water will be able to be used in parks and open space, reducing the Town's dependency on potable water supplies.
- Design and construction for the southern section of the Coal Creek Trail from Vista Parkway to State Highway 7 moved forward. At the conclusion of this project, 85% of the Coal Creek/Rock Creek Regional Trail will be complete, providing Erie residents with access to over 20 miles of multi-use, soft surface trail through Erie, Boulder County, Lafayette, Louisville, and Superior.

**AMENITIES** – Groundbreaking for the Erie Community Skate Park took place in December. This community amenity is the first Certified Street League Skate Plaza in the world and is designed to accommodate skateboarders of all ages and to serve as a venue for future Street League qualifying events,

bringing skateboarding professionals closer to their fans. The Erie Community Skate Park is another in a series of first-class recreational destinations that have contributed to Erie's growing reputation as a sports destination and a community offering an exceptional quality of life.

Challenges going forward include balancing General Fund expenditures with revenues in the new economy and allocating resources to maintain the Town's high level of service. These challenges have been anticipated and the Town is financially poised to handle them.

Sincerely,



A.J. Krieger, Town Administrator



Steve Felten, Finance Director



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The complete Annual Budget and Comprehensive Annual Financial Report are available at Town Hall and the Town's website [www.erieco.gov](http://www.erieco.gov).

# Community Profile

## QUALITY COMMUNITY

“Erie is a community which recognizes the importance of conserving and enhancing its historic small town character, the roots from which it grew, preserving the natural environment in which it resides; a caring community which offers its residents an environment in which to seek a high quality of life; a balanced community with a diverse range of housing, employment, educational, shopping and recreational opportunities; and a vital community which provides financial and social support for quality of life programs.”

- Town of Erie Comprehensive Plan

## QUALITY OF LIFE

The reasons people call Colorado home often include a passion for the outdoors, a diverse & dynamic community and the contemporary pace to life that appeals to all ages. Erie, Colorado offers the best of all of these. With our majestic mountain views and progressive civic vision, we provide a genuine small-town feel with all the reassuring qualities that implies – a sense of community, neighbors who care, and a contemporary town with modern amenities and comforting closeness.



## ERIE QUICK FACTS

Services: Police, Water, Sewer, Streets, Storm Drainage, Airport, Parks, Recreation, Open Space

Form of Government: Board of Trustees/Town Administrator

Governing Body: Mayor elected at large to a two-year term; 6 Trustees elected at large to four-year terms

Population - 2012: 20,000

Number of Households - 2012: 6,887

Median Age: 32.5

Median Household Income: \$99,804

Planning Area (square miles): 48

Incorporated (square miles): 19

Acres of Parks and Open Space: 346

2012 Budget: \$39,424,176

Employees: 264 (FTE 150)

2012 Town Operating Mill Levy: 7.288

2012 Trails and Natural Areas Construction Mill Levy: 4.000

2012 Erie Community Center Construction Bond: 5.858

2012 Total Mill Levy: 17.146

2012 Town Sales and Use Tax Rate: 3.50%

Incorporated: 1874

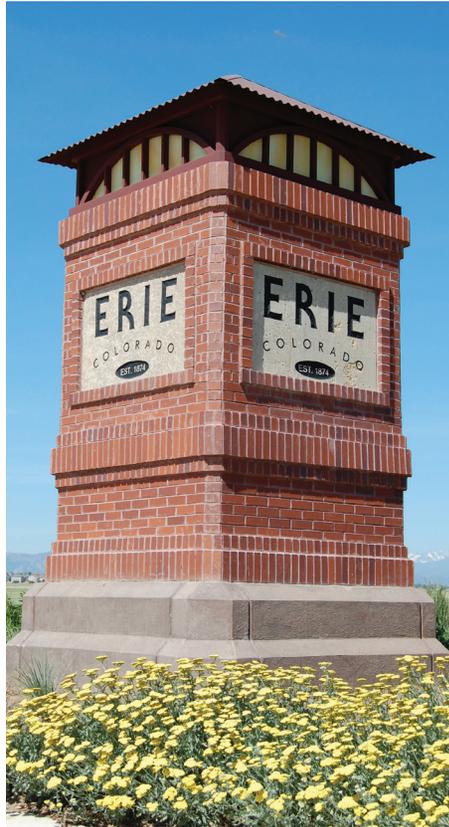


# Community Profile

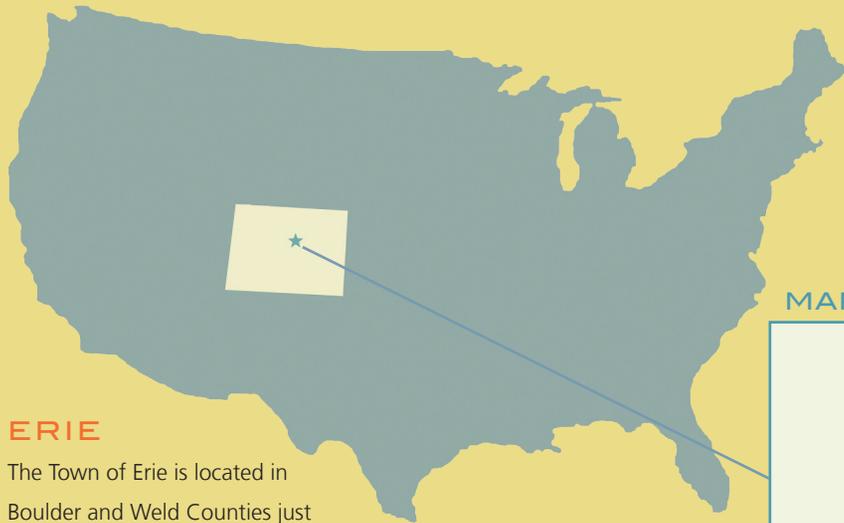
## WHAT THEY'RE SAYING

"While the community embraces a deep mining history, this diverse town of 19,000 is wide open to new people and possibilities. It's growing. It's changing. And there's a spirit of enthusiasm and forward-thinking that is bringing new residents and businesses to Erie - despite an economic slump."

- Boulder Daily Camera  
June 2011



# Location



## ERIE

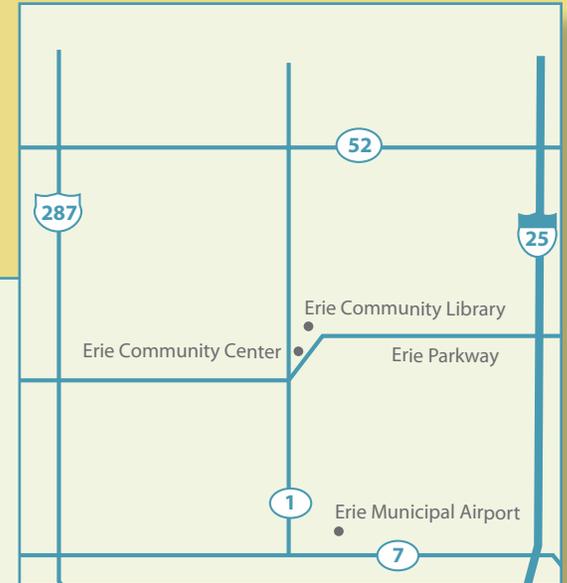
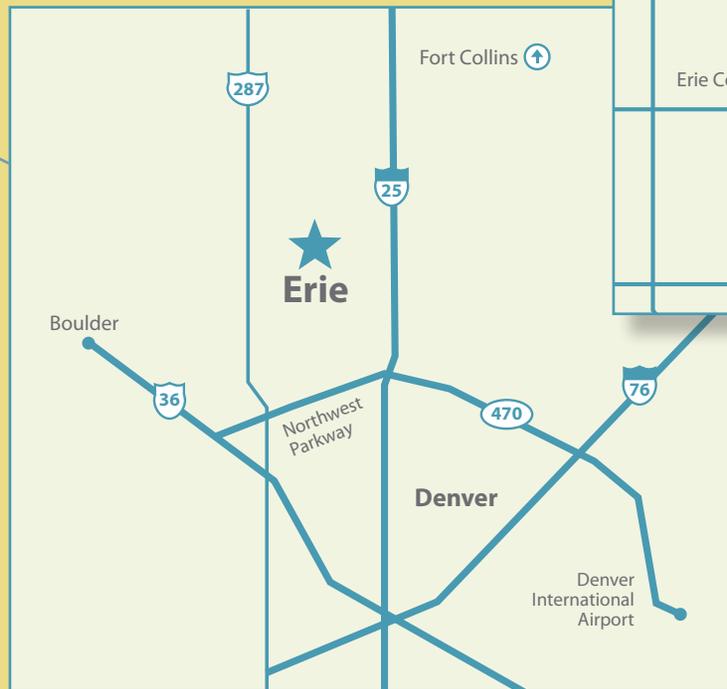
The Town of Erie is located in Boulder and Weld Counties just west of I-25 for easy access to I-70, Denver International Airport and Colorado's entire Front Range. Erie's Planning Area spans 48 square miles, extending from the north side of State Highway 52 south to State Highway 7, and between US 287 on the west and Interstate 25 to the east.

**35 Minutes to DIA**

**25 Minutes to Denver**

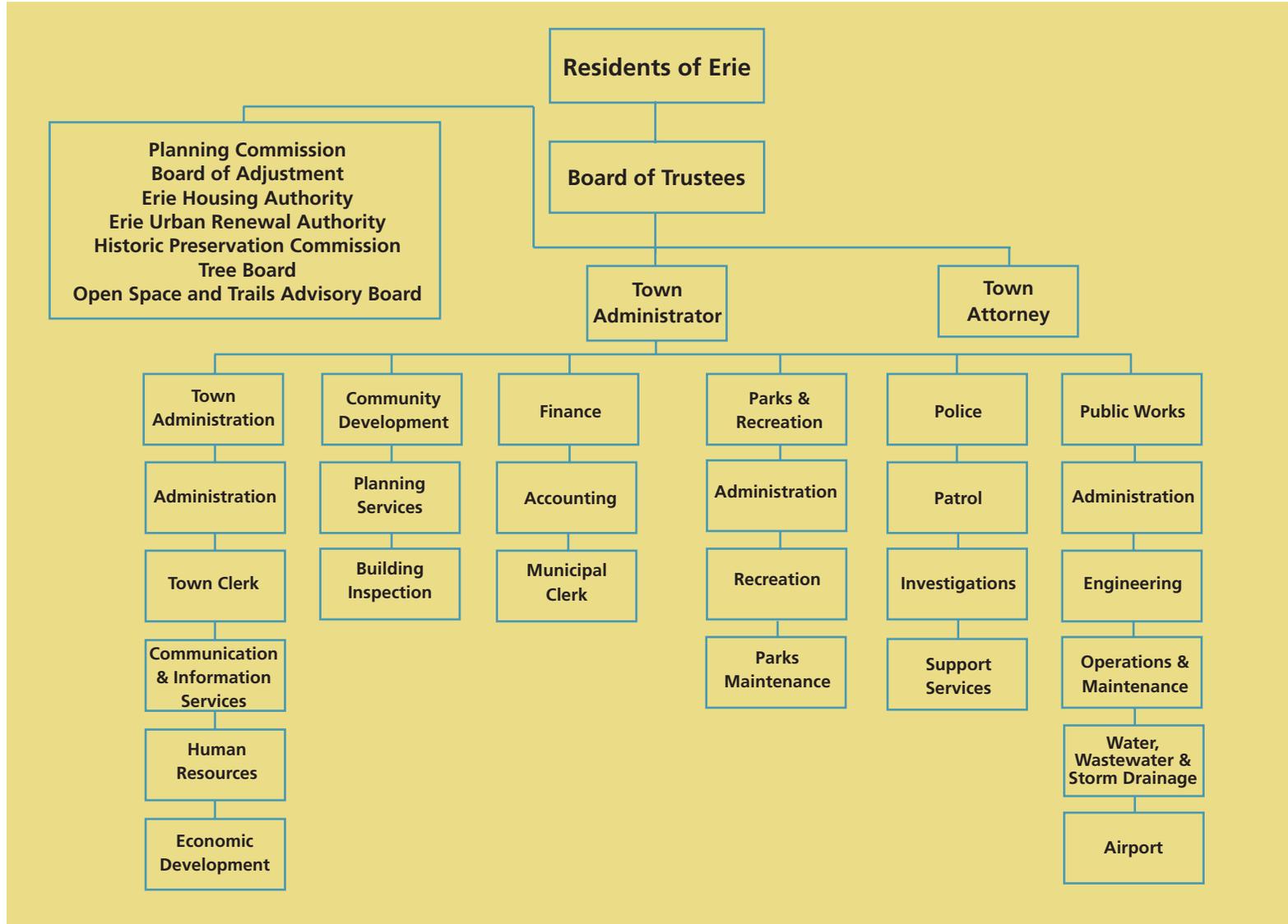
**20 Minutes to Boulder**

MAP OF ERIE



CLOSE-UP OF ERIE

# Organizational Chart



# Leadership



## BOARD OF TRUSTEES

Photo from left to right: Trustee Mark Gruber, Trustee Jonathan Hager, Mayor Pro Tem Ronda Grassi, Mayor Joe Wilson, Trustee Janice Moore, Trustee Paul Ogg, and Trustee Joe Carnival.

## ADMINISTRATION

**A.J. Krieger**  
Town Administrator

**Mark Shapiro**  
Town Attorney

**Nancy Parker**  
Town Clerk

**R. Martin Ostholthoff**  
Community Development Director

**Steve Felten**  
Finance Director

**Jill Wait**  
Parks & Recreation Director

**Marc Vasquez**  
Chief of Police

**Gary Behlen**  
Public Works Director

## Board of Trustees Goals

THE BOARD OF TRUSTEES SERVES AS THE LEGISLATIVE AND GOVERNING BODY OF THE TOWN OF ERIE. IT IS RESPONSIBLE FOR ESTABLISHING TOWN POLICIES AND GOALS. THE GOALS GIVE DIRECTION TO TOWN STAFF FOR CONDUCTING THE BUSINESS OF THE TOWN.

1. Expand and diversify the Town's economic base to create primary jobs and retail opportunities, in order to increase the Town's fiscal capacity to meet the needs of its citizens.
2. Manage the direction and rate of growth to achieve quality, economic security, connectedness and sustainability.
3. Maintain a safe community in which to live, work, learn and play.
4. Manage Erie's resources to maximize utilization of people, energy and capital.
5. Develop and promote proactive and fluid communication between the government and the constituents of Erie.
6. Support organizations and activities which enhance Erie's ability to be a key player on regional issues.

# Awards

National Recreation and Park Association: Gold Medal Finalist Award for Excellence in Park & Recreation Management - 2012 & 2013  
Commission for Accreditation for Park and Recreation Agencies: National Accreditation Award - 2012  
Colorado American Public Works Association: Environmental Design Award-Erie Lake Screen Project - 2012  
American Public Works Association Facilities Management & Maintenance Award: Leon A. Wurl Service Center - 2011  
American Public Works Association Solid Waste Management & Operations Award: North Water Reclamation Facility - 2011  
City-County Communications & Marketing Association: SAVVY Award of Excellence: Town of Erie Website - 2011  
The Communicator Awards: Silver Award of Distinction for Excellence in Website Design: Town of Erie Website - 2011  
American Society of Landscape Architects Honor Award for Ballfield Park Design: Erie Community Park - 2010  
Colorado Lottery Starburst Award: Erie Community Park - 2010  
Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award - 2004-2011  
GFOA Award for Excellence in Financial Reporting - 2004-2011  
GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting - 2007-2011  
American Public Works Association Program Award: Town Clean-Up - 2009  
Colorado Assoc. of Stormwater and Flood Plain Managers Honor Award: Keep It Clean Partnership - 2009  
American Public Works Association Award for Management Excellence: Detention Facility 1045 - 2008  
American Public Works Association Award for Management Excellence: Erie Community Center - 2008  
American Public Works Association Award for Management Excellence: Irrigation Audit Kits - 2008  
National Arbor Day Foundation Award: Tree City USA - 2011 (13th Year)  
Best of The West "Best Recreation Center", People's Choice and Editor's Choice - Yellow Scene Magazine - 2008, 2009, 2010

## **Award for Outstanding Achievement in Popular Annual Financial Reporting**

**PRESENTED TO**

**Town of Erie  
Colorado**

**for the Fiscal Year Ended  
December 31, 2011**



*Christopher P. Morrell*  
President

*Jeffrey L. Esser*  
Executive Director

# Accomplishments

BELOW IS A LIST OF MANY OF THE ACCOMPLISHMENTS COMPLETED DURING 2012.

## BUILDING SERVICES

- Inspections - 7,125
- Permits Issued (All Types) - 942
- Residential units - 150
- New Commercial - 5
- Tenant Finish - 8
- Contractor Licenses Issued - 589
- Code Enforcement Cases - 3
- Implementation of Electronic Permit Submittal
- Implementation of Electronic Plan Review
- Scanning Files - Paperless Goal

## COMMUNICATION

- Website Visits - 364,412
- Website Page Views - 787,663
- Notify Me Subscribers - 4,679
- LIVE Televised/Streamed Meetings - 76
- Erie Edition Newsletter - 6 Issues
- Board of Trustees Action Items - 18
- Media Releases & Community Notices - 198

## COMMUNITY DEVELOPMENT

- Managed 62 Land Use Applications
- Amendments to Title 10 (UDC) - Ddopted by Reference
- 16 Project Referral Reviews
- Management of Business License System - 383 issued

## FINANCE

- Processed 7,052 vendor payments
- Processed 103,432 utility bills
- 2011 CAFR
- 2013 Budget

## ECONOMIC DEVELOPMENT

- Support Business Development Ad Hoc Committee
- Participation at ICSC RECon, Unity in the Community, Erie Chamber Business Expo
- Business Licenses Issued - 265
- Prospect Inquiries - 36
- Commercial Broker Incentive Program
- New Homebuyer's Incentive Program - 163 issued
- Increased Outreach to Businesses

## OPEN SPACE AND TRAILS

- Rock Creek/Coal Creek Regional Trail Under Construction
- Negotiation to purchase a 51-acre Open Space parcel located on the northwest corner of County Road 5 and County Road 6
- 10-year Extension of 4 mill Property Tax for Open Space and Trails Approved By Voters

## POLICE & PUBLIC SAFETY

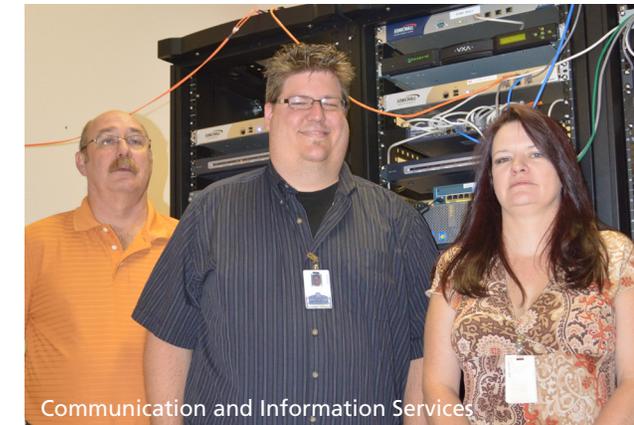
- Professional Accreditation
- "Story Time with Officer Mike"
- Police E-Newsletter
- Neighborhood Watch
- Citizen's Police Academy - 20 Graduates
- National Night Out
- Junior Police Academy at Erie High School
- Local Crime Alerts
- Bike Safety Rodeo
- Coplink Data Sharing System Implemented
- Incident Reports Completed - 4,650
- Citations issued - 1,520
- Warnings Issued - 2,733
- Arrests - 311

## PARKS & RECREATION

- Finalist for National Gold Medal Award for Excellence in Park & Recreation Management
- Achieved National Accreditation by the Commission for the Accreditation of Park and Recreation Agencies
- First Street League Skate Plaza in the World Under Construction
- Implemented Tiered Maintenance Standards For Parks & Open Space
- Implemented Central Control System for Irrigation
- Expanded Camp Erie Summer Day Camp to Include 5 Year Olds
- New Shade Structures Installed Over Seating Areas at The Ballpark at Erie
- Hosted 23 Tournaments at The Ballpark at Erie
- Erie Community Center Visitors - 204,324
- Fitness & Wellness Participants - 45,185
- Aquatics Program Participants - 14,457
- Trunk or Treat Participants - 1,500
- Concerts in the Park Participants - 2,800
- 9 Health Fair Participants - 446
- Great Erie Outdoor Adventure Participants - 689
- Arbor Day - Volunteers Planted 500 + Seedlings
- Free Residential Tree Certificates Issued - 596
- New/Replacement Trees Planted in Parks - 195
- New/Replacement Trees Planted in HOAs - 64
- Parks & Recreation Volunteers - 9,510 Hours
- Total Acres of Developed Parkland Maintained - 208
- Total Acres of Open Space Maintained - 607
- Total Miles of Trails Maintained- 31
- Total Miles of Roadsides Maintained - 61

## PUBLIC WORKS PROJECTS

- 42 Capital Improvement Projects - \$3.5 million
- Total Miles of Streets Maintained - 122
- Total Miles of Water Lines Maintained - 133
- Total Miles of Sewer Lines Maintained - 90
- Total Miles of Storm Lines Maintained - 40
- Sanitary Sewer Lines-19% Cleaned
- Street Striping - 655,664 Linear Feet
- New Meter Installations - 155
- Outside Meter Replacements - 994
- 67 High Efficiency Washing Machine Rebates
- Spring and Fall Clean-Up Programs
- Street Maintenance Program
- Residential "Do-It-Yourself" Irrigation Audits
- Erie Lake Screen
- County Line Road & Bonnell Avenue Intersection
- Vista Ridge Drainage Repair
- Update Outfall Systems Master Plan
- Airport Master Plan Update
- 14 Snow Events - 13,539 Miles Plowed
- Runway 33 Improvements and Signage
- Wastewater Discharge Pad



# Balance Sheet

## Current and other assets

Consists primarily of cash, investments and short-term receivables

## Capital assets

Includes buildings, water rights, water and wastewater treatment plants, open space, parks facilities, vehicles, equipment and other long-lived assets

## Current liabilities

Consists of amounts due vendors and others, and principal payments due on long-term debt during the next 12 months

## Non-current liabilities

Includes the portion of long-term debt not included in current liabilities

## Net assets

Excess of assets over liabilities

This balance sheet is presented in much more detail in the Town's complete Comprehensive Annual Financial Report – this is a very high-level summary that captures the category sub-totals and compares them to prior years. This may serve as a useful overall indicator of the Town's financial position and trends over the last five years.

### Statement of Net Assets for the year ended December 31st (in thousands of dollars)

	2012	2011	2010	2009	2008
<b>ASSETS</b>					
Current assets and other assets	\$67,457	\$67,319	\$71,744	\$97,139	\$95,850
Capital assets	<u>309,233</u>	<u>310,086</u>	<u>309,486</u>	<u>286,130</u>	<u>269,956</u>
<b>Total assets</b>	<b>376,690</b>	<b>377,405</b>	<b>381,230</b>	<b>383,269</b>	<b>365,806</b>
<b>LIABILITIES</b>					
Current liabilities	10,843	11,100	18,230	16,369	12,122
Non-current liabilities	<u>104,042</u>	<u>108,265</u>	<u>107,402</u>	<u>110,661</u>	<u>100,349</u>
<b>Total liabilities</b>	<b>114,885</b>	<b>119,365</b>	<b>125,632</b>	<b>127,030</b>	<b>112,471</b>
<b>NET ASSETS</b>	<b><u>\$261,805</u></b>	<b><u>\$258,040</u></b>	<b><u>\$255,598</u></b>	<b><u>\$256,239</u></b>	<b><u>\$253,335</u></b>

Total assets have increased \$10.9 million since the end of 2008. This increase was the net result of the use of bond proceeds and accumulated cash, reflected in current and other assets, to construct the Erie Community Center, the Erie Commons Ballfields, and the North Water Reclamation Facility, among other capital asset projects. Liabilities have increased slightly in this timeframe, reflecting issuance of bonds for various capital projects, net of repayments of long-term debt.

(Note: Certain prior year amounts have been restated.)

# Income Statement

More formally referred to as the Statement of Activities, the Town's income statement reflects all the financial activity for the Town during the fiscal year ended December 31, 2012. This statement presents information to show how the Town's net assets changed during the year as a result of the financial activity (i.e., revenues and expenses). This is a summarized version of the more detailed income statement found in the Town's complete Comprehensive Annual Financial Report.

## Statement of Activities for the year ended December 31st (in thousands of dollars)

	2012	2011	2010	2009	2008
Revenue	\$31,783	\$28,865	\$27,943	\$25,741	\$36,781
Expenses	28,018	26,423	24,123	22,578	21,544
Increase in net assets	3,765	2,442	3,820	3,163	15,237
Net assets, beginning of year	258,040	255,598	251,815	253,076	238,098
<b>NET ASSETS</b>	<b>\$261,805</b>	<b>\$258,040</b>	<b>\$255,598</b>	<b>\$256,239</b>	<b>\$253,335</b>

The schedule above shows that the Town's revenues have exceeded its expenses in each of the last five years. The decline in revenues since 2008 is primarily the result of revenues arising from unusually high levels of commercial development activity in 2008 and declines in investment income. Partially offsetting these declines have been increases in water and wastewater fees arising from scheduled rate increases and increased demand for these services, and recovery in sales tax as the economy improves. The increases in expenses over the last five years are primarily the result of depreciation expense and operating expenses related to the Erie Community Center and ballfields and the North Water Reclamation Facility completed since 2008. In addition, costs to support recreation activities have increased as both programs offered and participation has grown over the last five years. (Note: Certain prior year amounts have been restated.)

## WHAT THEY'RE SAYING

"The resurgence within the existing home sales market helped spur green lights on some housing starts -- most notably in Erie, which has plans to nearly double its 21,000-person population in a dozen years."

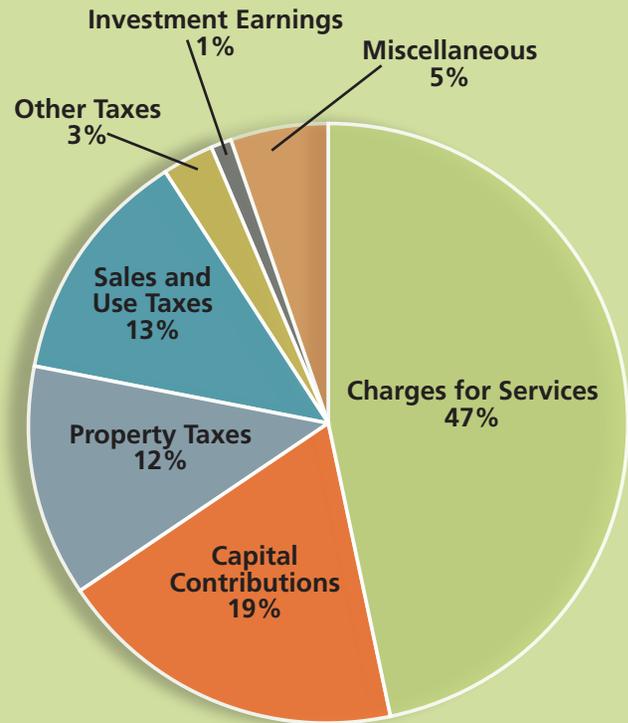
- Boulder Daily Camera  
June 2013

# Revenues



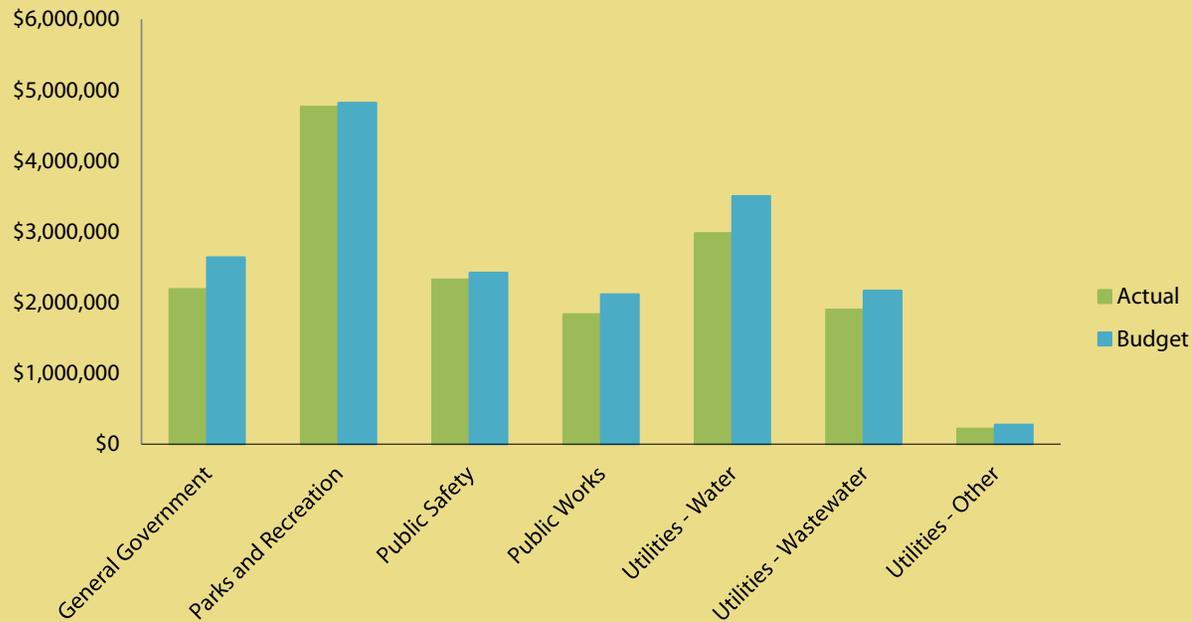
This chart illustrates the variety and percentage of the Town's sources of funding, including taxes, capital contributions, charges for services and fees and investment earnings. The Town's primary revenue sources during 2012 include charges for services and capital contributions, which include the one-time payments of fees, tap fees and impact fees, which are used to finance the construction of capital improvements. Taxes accounted for 28% of all revenues in 2012, comparable to 29% in 2011, reflecting stability in this revenue source.

REVENUE BY SOURCE:



# Expenses - Budget Versus Actual

This chart presents information for the Town's operating expense categories. The chart reflects strong expenditure controls on the part of the Town.



This schedule is prepared using a budgetary or cash basis of accounting. This is a summarized version of the more detailed schedule of revenues, expenditures and changes in fund balances – actual and budget found in the Town's complete Comprehensive Annual Financial Report. Capital Outlay and Debt Service expense categories are excluded from this chart.

# Debt & Financial Ratings

## WHAT THEY'RE SAYING

According to Standard & Poor's Rating Services, their reasons for the upgrade in Erie's general obligation bond rating from AA to AA+ included "the Town's consistently very strong fund balances" and "good management practices and policies". They also noted the Town's "very strong wealth levels". The outlook for the Town was described as "stable", reflecting "Erie's good growth and very strong incomes" of its residents.

- Standard & Poors,  
February 2013

As of December 31, 2012, the Town had two outstanding general obligation bonds totaling \$15.5 million, five water revenue bonds and loan issues totaling \$32.8 million, seven wastewater revenue bond and loan issues totaling \$22.8 million and three other loans related to storm drainage and the Erie Housing Authority totaling \$1.1 million. Additionally, the Town has \$28.9 million in outstanding Certificates of Participation, which the Town used to purchase raw water rights in 2005, and capital lease obligations totaling \$2.4 million.

The Town had no new long-term debt financings or refundings in 2012. Town staff regularly looks for opportunities to find the best financing opportunities for capital projects. In February 2013 Standard & Poor's raised its rating on the Town's general obligation bonds from AA to AA+.

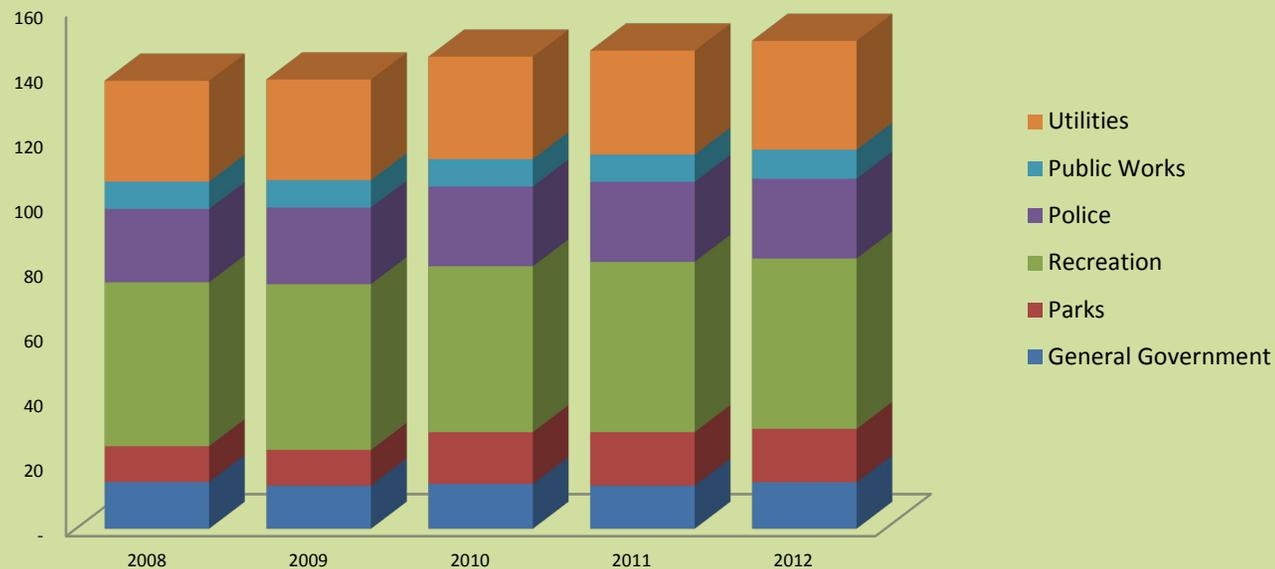


# Employee Salaries & Benefits

The Town conducts a market analysis of comparable jobs to update the pay plan on an annual basis. In 2012, the Town adopted a 1.91% adjustment to the pay plan based on the market analysis. Employees are also eligible for a potential merit increase of 2.5%, on average, based on employee performance. Health insurance costs did not increase substantially due to negotiations with the vendors and change in medical plan design. On average, the Town contributes 75 percent of the health care premium and employees pay 25 percent, comparable with other local municipalities. The costs for other employee benefits, including life and disability insurance, remained about the same in 2012.

In 2012, the number of full-time equivalents (FTE) increased by 3.0 FTE to 150.5. The increase in FTE includes a Water Plant Operator, a Human Resource Technician and a Police Officer.

Number of Full-Time Equivalent (FTE) Employees by Function



## WHAT THEY'RE SAYING

"Don't let the "town" in Erie's title fool you – this is a full-service community that by the end of the summer of 2012 will have its own state-of-the-art Olympic cycling training facility. The facility is expected to attract athletes of all levels, and will easily accommodate Olympic-level cyclists – no small feat for a town the size of Erie."

- Boulder County Business Report  
September 2009



AIRPORT: 303-664-0633 or 303-926-2870

BOARDS & COMMISSIONS: 303-926-2731

#### COMMUNITY:

Cemetery (Mt. Pleasant): 303-926-2731

Citizens Police Academy: 303-926-2800

Erie Community Center: 303-926-2550

Erie Community Library: 720-685-5200

Neighborhood Watch: 303-926-2800

#### DEPARTMENTS:

Administration: 303-926-2710

Community Development: 303-926-2770

Finance: 303-926-2700

Parks & Recreation: 303-926-2790

Police: 303-926-2800

Public Works: 303-926-2870

#### ECONOMIC DEVELOPMENT:

Business Assistance: 303-926-2769

#### EMERGENCY SERVICES:

Emergency: 911

Poison Control: 1-800-222-1222

Police Dispatch Non-Emergency: 303-441-4444

Fire Department Non-Emergency: 303-772-0710

Police Department Administration: 303-926-2800

Emergency Preparedness: 303-926-2764

#### EMPLOYMENT / HUMAN RESOURCES:

303-926-2744

#### INFORMATION RESOURCES:

Erie Government TV & Website: 303-926-2761

Public Information & Media Liaison: 303-926-2764

Public Records: 303-926-2731

Website: www.erieco.gov

#### PARKS & RECREATION:

Active Adults 60+ Program: 303-926-2795

Erie Community Center: 303-926-2550

Parks: 303-926-2887

Recreation: 303-926-2550

#### PERMITS & LICENSES:

Building Inspections & Permits: 303-926-2780

Business/Home Occupation License:

303-926-2770

Dog Licensing: 303-926-2700

Special Events Permit: 303-926-2731

#### PLANNING & ZONING:

Community Development Department:

303-926-2770

#### POLICE & COURTS:

Code Enforcement: 303-441-4444

Municipal Court: 303-926-2851

Police Department Administration: 303-926-2800

Police Records: 303-926-2800

#### VOTER REGISTRATION & ELECTION INFORMATION:

Town Clerk: 303-926-2731

#### WATER & WASTEWATER:

Utility Billing: 303-926-2752

Water Reclamation Facility: 303-926-2895

Water Treatment Facility: 303-926-2860

The purpose of the Popular Annual Financial Report is to provide an overview of the financial position and operations of the Town of Erie, as reported in the Town's Comprehensive Annual Financial Report (CAFR), along with other information of interest. The financial information presented here is in summarized and condensed form, and does not substitute for the Town's CAFR. The CAFR outlines the Town's financial position and operating activities each year presented in conformity with generally accepted accounting principles. The Popular Annual Financial Report does not conform to generally accepted accounting principles and associated standards as set forth by the applicable governing bodies, but is suitable for those readers who prefer an overview or summary of the Town government and its financial condition. Some of the information is from the Town's Annual Budget. Both the Town's CAFR and Annual Budget have received awards for outstanding financial reporting from the Government Finance Officers Association. The CAFR, Annual Budget and Annual Report are available at Town Hall and the Town's website [www.erieco.gov](http://www.erieco.gov).



TOWN OF ERIE, COLORADO

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303-926-2700

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