

COUNCIL BUDGET WORK SESSION
Monday, May 22, 2017, 3:30 p.m. – 7:00 p.m.
Casper City Hall
Council Meeting Room

AGENDA

1. Municipal Budgeting Review/Touchstones 3:30 p.m. (Liz Becher & Pete Meyers)
2. Executive Summary (Liz Becher) 4:30 p.m.
3. Break 5:00 p.m.
4. Support Services (Tracey Belser) 5:30 p.m.
5. Fire – EMS (Chief King) 6:00 p.m.
6. Police Department (Interim Chief Schulz) 6:30 p.m.

Mayor Humphrey called the work session to order at 4:42 p.m. with the following Councilmembers present: Pacheco, Morgan, Johnson, Laird, Huckabay, Powell, Walsh, Hopkins, and Humphrey.

Interim City Manager Becher began by reviewing the municipal budget and discussing Council's touchstones: sustainability of necessary assets/services and public safety. She then reviewed how Council's touchstones and the ACES (accountability, communication, efficiency, effectiveness, and stewardship) values guided decisions with the budget. Pete Meyers, Assistant Support Services Director, gave an overview of three basic budgeting concepts that are used by the City: legal requirements, fund accounting, and "fungibility". He stated that in government most revenue is not interchangeable between funds.

Interim City Manager Becher reviewed the focus for the budget and the City's long-term financial planning. Interim City Manager Becher stated that at this point, staff is recommending spending reserves to keep necessary services running. She stated that there is \$20.1 million in general fund reserves, and our reserve policy is to have a minimum of \$7.7 million in reserves. She went over staffing levels and stated that planning for cost reductions and changing service levels should occur during FY18 (Fiscal Year 2018) to prepare for FY19 (Fiscal Year 2019). She stated that management recommendations include using the City's strong balance sheet to manage service levels and using FY18 to develop and implement scenarios that align city services to available resources. Councilmember Powell asked what the assumptions about the State's above-the-cap funding were for the budget, and Kirk Gunderson, City Accountant, responded that the assumptions were that those funds will continue through FY18, but will not be available for FY19 and beyond.

Interim City Manager Becher stated that staff levels are the backbone of costs in the long-term plan, and that there is a practical limit to the reduction of staff levels. She stated that drastic measures might need to be considered in the future, which may include internal consolidation, outsourcing, and/or elimination of operations and services and pay/benefit reductions. She stated that staff continuously monitors long-term plans and makes the necessary operating adjustments.

Interim City Manager Becher then reviewed the executive summary for FY18. She reviewed the struggles during FY17 (Fiscal Year 2017) and the cost reductions that staff implemented to help offset the declining revenue. These included voluntary retirement incentives, hiring freezes, and decreased operating expenses.

Council discussed replacing some of the essential positions that were lost and considered out of state trainings. Interim City Manager Becher went over FY18 highlights, including projected revenue decreases. She reviewed the variable services fund, which helps to track uncontrollable costs, such as snow removal, fire events, and criminal investigations without pulling from general operating costs. This year, costs for the eclipse will be pulled from this fund. She stated that the City is proposing to pick up the cost of the increased health insurance costs instead of raising employees' premiums, not instituting a COLA (Cost of Living Adjustment), and honoring step increases.

Councilmember Laird stated that he would like to review the cost of lawsuits, and stated that some cases, such as the Hedquist case, should be settled to save money long term. Assistant City Manager Tracey Belser stated that legal expenses are covered by WARM (Wyoming Association of Risk Management), but that due to those costs, WARM increased our insurance premium by 11% this year.

Next, Assistant City Manager Belser reviewed the budget for Support Services. She discussed the budgets for the departments that operate out of the general fund, including Municipal Court, Finance, and Human Resources. She then reviewed the departments and expenses that operate from the internal service fund, including Fleet, Information Technology (IT), Buildings and Structures, and Property and Liability Insurance. She stated that worker's compensations premiums will now be covered by individual departments instead of being covered under this fund. She then reviewed the trust and agency fund, and explained that there has been a 14% health insurance premium increase, but staff is proposing that the City absorb that cost because there is no COLA this year. Zulima Lopez, Assistant Support Services Director, discussed some of the fitness incentives that the City offers as well as some upcoming incentives the City is considering.

Next, Fire Chief Kenny King reviewed the agenda for the Fire Department. He reviewed the increases and decreases in operations costs. He then went over the proposed capital projects for FY18, including Fire Station No. 5, gear, a bush truck, and a WyoLink upgrade.

Next, Interim Police Chief Schulz reviewed the budget for the Police Department. He explained that he has proposed increases for travel/training as well as supplies. Council discussed increasing the Police Department's training budget and discussed staff bringing a proposal with this increased budget included.

Mayor Humphrey adjourned the meeting at 8:08 p.m.

ATTEST:

CITY OF CASPER, WYOMING
A Municipal Corporation

Tracey L. Belser
City Clerk

Kenyne Humphrey
Mayor