

## **COUNCIL SPECIAL BUDGET WORK SESSION**

Tuesday, May 18, 2020 at 4:30 p.m.

City Hall – Council Chambers

### **AGENDA**

#### **1. Budget Session – Part 1**

Mayor Freel called the meeting to order at 4:35 p.m. with Councilmember Pacheco and Mayor Freel present and Councilmembers Lutz, Huber, Bates, Powell, Hopkins, and Cathey videoconferencing into the meeting. Councilmember Johnson was absent.

City Manager Napier began by explaining the budget process and presentation, stating that he would welcome any of Council's questions or directions for further research. He also reminded Council that many of the decisions regarding budget items such as utilities, capital, and partner funding were made at previous Council meetings. He also discussed that this budget is \$134M, down \$15M to \$20M from last year and that much of what will be discussed tonight is the sales tax dependent general fund. He stated that this budget has been balanced using reserves, which will have a differing burn rate depending on Council's decisions. The budget as it is has a burn rate of 17.48% which will last 5.5 years. He also stated that the one cent dollars will still be used in accordance with Council's resolution.

He then reviewed the monthly sales tax, showing that the actual tax revenue is trending down compared to what was projected and is down in the top four industry classes for Casper. He then reviewed some of the general fund expense cuts that will help to balance the budget, including eliminating the Platte River volunteer day, reducing the Spectra partnership, not filling \$1M in position vacancies, defunding five Police Department positions, cancelling of the College National Finals Rodeo this year, 5% reduction in Health Department funding, and a 20% reduction in Casper Area Economic Development Alliance funding. He also explained that the interest income from the perpetual care fund will be used to subsidize operational requirements. He explained that the defunded PD positions will not be funded while they are not filled, but there is no freeze on hiring those positions and they would be funded if they were to be filled.

He then reviewed scenarios that would help to reduce the reserve use burn rate and help to correct the \$2.9M imbalance. These scenarios included implementing step freezes, implementing a furlough program, and closing outdoor pools this summer. He explained the furlough model that would range in the number of furlough days depending on employee salary and would be implemented between the beginning of the fiscal year and the end of the calendar year. All of these changes would contribute \$1.4M towards balancing the \$2.9M imbalance.

City Manager Napier discussed that staff have been actively pursuing any federal assistance for the downturn in the economy due to COVID-19, and have only been able to secure funding assistance for CATC so far. He also discussed the importance of renewing the franchise agreement with Rocky Mountain Power, which will provide a \$1M franchise fee to the City. He then

explained that if any of the estimated projections for tax revenue, direct distribution, loss in franchise fees, etc. are incorrect, the City will have to look at further strategies to address the imbalance. He explained that he would like reserves preserved as long as possible in case there are circumstances in which they are needed even more.

City Manager Napier then reviewed the enterprise funds. Staff is proposing the capital spent for the refuse fund be altered in order to correct the course of projected revenue over the next year. They are not proposing any rate changes at this time. He reminded Council that the rate may change for recycling if Council decides to move forward with the public input option that would increase costs for each residential household by \$1.70. This will be discussed further at the next work session. He stated the sewer and water funds are in good shape, and the balefill fund has not been impacted by the downturn and the new cell is still moving forward according to plan.

City Manager Napier then reviewed budget myths and corrected some common misperceptions about the budget. Council discussed some of the options discussed and asked staff to look into how changes in property tax have affected the City's portion of that revenue.

The meeting was adjourned at 6:25 p.m.

ATTEST:

CITY OF CASPER, WYOMING  
A Municipal Corporation

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Fleur Tremel  
City Clerk

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Steven K. Freel  
Mayor