

## **COUNCIL SPECIAL WORK SESSION**

Tuesday, May 31, 2022 at 4:30 p.m.

City Hall – Council Meeting Room

### **AGENDA**

#### **1. Budget Discussion**

Mayor Pacheco called the meeting to order at 4:39 p.m. with the following Councilmembers present: Pollock, Knell, Sutherland, Cathey, Gamroth Engebretsen, and Mayor Pacheco. Councilmember Johnson attended the meeting virtually. Vice Mayor Freel arrived at 5:24 p.m.

City Manager Napier began by asking Council to finalize the roles of Councilmembers at the Wyoming Association of Municipalities Conference. Council decided that Mayor Pacheco would be Council's representative for the Resolutions Committee, with Councilmember Cathey serving as the alternate and that Mayor Pacheco would also be the voting delegate. Councilmembers Gamroth and Engebretsen will also be attending as board members.

City Manager Napier then began the budget discussion by giving Council a budget preview which reviewed the highlights of the budget for FY23 (fiscal year 2023). Some of the items discussed included the City's conservative approach to balancing the budget, new/reclassified positions, COLAs (cost of living adjustments), and the capital budget.

He then reviewed the budget history for the past few years showing the differences between actual and projected expenditures. He explained that the City only budgets with money on-hand for capital projects. He also explained that the largest portion of the budget that is flexible is the capital projects budget and that the operations portion of the budget is only a small portion of the entire budget. He then discussed general fund revenue, explaining that the majority of it comes from sales and use tax which can be a volatile funding source. He reviewed the actual and budgeted FY21 and FY22 monthly sales tax revenue. He stated that the City is currently in a surplus margin of just under 2% and has budgeted a 3.82% increased growth factor for FY23 based on data and recommendations from WAM. He explained that the expected growth is due to several factors, including inflation, property taxes, and direct distribution. He described the growth trends for sales and use tax as well as the major industries that contribute to Casper's greatest tax revenue amounts.

He reviewed some of the general fund requests, including three additional staffing positions and reclassifications. Council discussed the need for a grant writing position. Chief McPheeters described why the City needs the police accreditation specialist, explaining that it is important for grant applications and to meet the department's accreditation goals. City Manager Napier discussed staff's recommendation for a 5% range adjustment in employee salaries and a 3.5% COLA, which together will cost \$2.18M. Together with the Fire Union compensation adjustments, the total increase in the personnel budget is \$2.678M. He explained that local increases in inflation warrant a COLA. Councilmembers asked questions regarding the personnel budget. Tracey Belser, Support Services Director, explained the differences in wage increase for employees that recently

received promotions, why some employees may not receive any increase, and explained why a small number of employees also received an increase in December of 2021.

City Manager Napier reviewed the available cash, revenues, expenditures, and proformas for the enterprise funds, including the Water Distribution Fund, Sewer Fund, Refuse Fund, and Balefill Fund. He then discussed the Capital Fund. He stated that \$10.7M of the capital budget is dependent on grants, and if those grants do not come through, then those projects will not be pursued. Staff passed out a handout that listed the capital projects and their funding sources. City Manager Napier asked that Council let staff know in the next week or two if they would like to amend the capital agenda. He reminded Council that the list is comprised of the top priority projects for each of the departments and asked that Council give staff the opportunity to explain why a project is on the agenda before removing it.

Next, City Manager Napier discussed subsidies for recreational facilities as well as the cemetery. He explained that some of the cost is offset by interest income from the Perpetual Care Fund. Council discussed the purpose of the subsidizing facilities and why it is necessary in order to make many of the facilities affordable for the public and improve quality of life. Council discussed the subsidization of the ice arena and how it is necessary in order for user groups to continue to use the facility. Councilmember Pollock also explained that if not for user groups paying to use the facility, the subsidization would be much higher. City Manager Napier went over the different subsidizations for each of the recreational facilities, and stated that there is an argument that installing an extra sheet of ice may lower the subsidy for the ice arena. He stated that the golf course does not need a subsidy and that Hogadon needs a smaller subsidy than some of the other facilities. Spectra has proposed some things that could help with subsidization of both Hogadon and the Ford Wyoming Center. He also stated that the recreation center is considering repurposing the “Kids Corner” into a fitness studio. He explained that the Recreation Center is filling the niche for an affordable fitness center and cannot compete with some of the more expensive centers around town. Zulima Lopez, Parks & Recreation Director, then spoke about the programming for the Aquatics Center and outdoor pools, explaining that the subsidy has decreased due to more swim lessons, reduced open swim time, and increased facility rentals. She also explained that maintenance has been transferred to the buildings and structures budget.

City Manager Napier then reviewed some budget myths and information to dispel each of the myths. He explained that the myth that the City is not operating within its means is not true and state statute requires a balanced budget from the City. He also explained that the City has had the same mill levy for decades and reducing the City’s mill will not lower property taxes as those are established by the County. He described that one cent dollars are not used for operations and are used for capital projects that are based on citizen survey data. He also explained that it is a myth that the City does need additional money due to federal CARES and ARPA dollars. He explained that this is one-time money that was meant to replace income lost and additional costs during the pandemic. He explained some of the future projects that could utilize these funds but stated that staff is not suggesting to use those funds in FY23.

He then discussed highlights of recommendations for FY23, including design and transformation of the Casper Bus Center, reviewing data concerning facility needs, monitoring inflation,

discussing one-cent allocations, revising investment strategies, considering subsidies, and considering a storm water enterprise. Councilmembers Gamroth and Knell asked about incarceration fees in the Police Department's budget, and City Manager Napier responded that Judge Martinez felt like there was a conflict of interest moving those fees to the Municipal Court's budget. Deputy Chief Chaney stated that he believes the Police Department has taken steps to resolve the issues that were causing a strain on their budget.

The meeting was adjourned at 7:36 p.m.

ATTEST:

CITY OF CASPER, WYOMING  
A Municipal Corporation

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Fleur Tremel  
City Clerk

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Ray Pacheco  
Mayor