

SPECIAL BUDGET WORK SESSION

Tuesday, May 24, 2023 at 4:30 p.m.
City Hall – Council Meeting Room

AGENDA

1. Council Budget Review
2. Aquatic Center Roof Deck Funding Plan
3. MRG Request – Part 2
4. Robertson/Trevett & Miscellaneous Land Sales
5. Electrical Code
6. Ice Arena Expansion Funding & Design
7. Ford Wyoming Center Fund Subsidy
8. Amending Various Utility Billing & Water Metering Fees
9. Council Around the Table

Mayor Knell called the work session to order at 4:32 p.m. with the following Councilors present: Pollock, Engebretsen, Haskins, Gamroth, and Mayor Knell. Councilor Bond attended the meeting virtually. Vice Mayor Pacheco and Councilors Cathey and Jensen were absent.

1. Council Budget Review

Zulima Lopez, Parks, Recreation & Public Facilities Director, stated that the golf course information requested will go in the info packet. She also stated that as a follow-up from last night's discussion, the total profit in FY22 from night skiing was \$29K and in FY23, the profit was over \$58K. Tracey Belser, Support Services Director, discussed follow-up questions regarding the property insurance premiums, which went up 62%, due partially to the worst worldwide loss on record for property claims as well as more City facilities now being insured. She added that there was actually a 7% decrease on the liability premium for FY24.

Mayor Knell stated that the MRG item was going to be moved up on the agenda to accommodate members of the Fly Casper Alliance in attendance.

2. MRG Request – Part 2

City Manager Napier gave a brief overview of the request made by the Fly Casper Alliance during part one of this discussion, stating that they requested \$50K from Casper to maintain the MRG with SkyWest Airlines in order to keep the Salt Lake City flight in Casper. He stated another option may be to provide funding to the Alliance for marketing activities in lieu of funding for the MRG. Council could also decide to provide no funding.

Mayor Knell expressed concern with the City using tax payer money to subsidize a billion-dollar company. He also stated that he thinks Casper should be one of the only airports in Wyoming instead of there being several of community airports all around the state. He also stated that he was concerned this will always be a threat, and the MRG will continue in perpetuity. Members of the Fly Casper Alliance stated that they have assurances that this will be temporary, and their goal is to get to a place where the flight is profitable and does not need subsidization, which was the case until November 2020. A larger aircraft will hopefully increase profitability and will go into service

July 7. They described how they make their projections and what they think it will take to breakeven. They are also setting up a scholarship program for pilots to help with flight costs from Casper College. They are trying to market flying out of Casper to increase demand in the short term. Long-term, they may look at other airlines that make sense instead of SkyWest, such as Phoenix and Houston airlines. They are also looking into creating ways to incentivize people to stay in Casper overnight, such as marketing with Hogadon, etc. Council asked about discussions with other communities about limiting their air services, and Fly Casper responded they have not talked with most of the communities, except Jackson, which is profitable. City Manager Napier stated that there is a residual balance from direct distribution that could cover the \$50K funding to the MRG. Council gave their thumbs up to provide the MRG funding.

3. Aquatics Center Roof Decking Plan

City Manager Napier discussed that things have changed with plans to fund this project, due to interest rates increasing and, therefore, cost of lending increasing. The value gained with the low-cost financing that the City was going to do with the State is no longer available. Council discussed the contingency amounts set aside, and asked about reducing the contingency amount to decrease the cost. Staff is ready to put the project out for bid with Council's thumbs up. City Manager Napier explained that staff feels that the project must proceed, due to the significant issues with the roof. Ms. Lopez explained that staff and consultants have identified the components of the project that are absolutely necessary to produce a safe and operable facility, and the alternatives are not in the price being discussed tonight. Staff is also now recommending to split the project into two phases to allow the Aquatic Center to be open during the winter months. Construction for the first phase would start this July and wrap up in December. The second phase would start June 2024 and end September 2024. City Manager Napier discussed that some of the costs for the project will come out of the perpetual care fund and the remainder from capital reserves. Council gave their thumbs up to putting the project out for bid.

4. Robertson/Trevett & Miscellaneous Land Sales

City Manager Napier discussed the sale of a parcel of land near Robertson Road and Trevett Lane. He stated that the City has tried to sell this piece of property eight times before, and received its first bid ever during this round. The bid is significantly lower than the appraised value of the property. Liz Becher, Community Development Director, explained that the bidder justified the reduction in price due to easements, roads that would have to be built, and interest rate issues with housing developments. Council discussed that the appraisal is for the land as is, and therefore, the justifications are not valid in offering a lower than appraised offer for the land. Ms. Becher stated that the land has been appraised by three different appraisers and they are always within the same ballpark amount.

Council discussed the process for evaluating traffic congestion issues that could arise from developing more homes in that area, and Andrew Beamer, Public Services Director, responded that traffic studies are not conducted until a development is firmly planned, and it is difficult for neighborhoods to rise to a level of traffic service change. Council discussed negotiating with the bidder. City Attorney Nelson explained that statute does not allow for negotiation, and Council

must either accept or reject the bid, then go back out for bid if they want. Council gave their thumbs up to reject the bid.

City Manager Napier then discussed another parcel of land near Locust Street and Collins, which the City was approached about offering for sale. The City is currently maintaining and irrigating the parcel, and would like to offload the property. It is big enough for a residence. The City would preserve the roadway that is currently included in the parcel and would not sell that piece of the land. Council gave their thumbs up to move forward with the process for putting this parcel out for bid.

5. Electrical Code

Next, City Manager Napier discussed the electrical code, stating that there was concern from staff that this issue was inadvertently being confused with the uniform building code. City Attorney Nelson stated that if the City fails to adopt the electrical code, authority for enforcement will revert to the State and the City will lose local enforcement authority. Contractors will be required to follow the electrical code either way, and it makes sense that the City would maintain authority and collect revenue. Shawn Barrett, Electrical Inspector, explained that some costs have gone up and others have gone down in the new electrical code, so it balances out. Council gave their thumbs up to move the National Electrical Code forward for formal consideration at a Regular Council Meeting.

6. Ice Arena Expansion

Next, City Manager Napier discussed the ice arena expansion. He stated that Council decided on a range of funding to give toward the project, and the Amateur Hockey Club would like to know a firm amount. Staff would also like direction on where the funding will come from and at what funding point the City will move forward with putting a design together. Ms. Lopez stated that the Hockey Club has been working hard to fundraise and already have firm commitments over \$2M and expect that amount to grow rapidly; they expect to be at 50% of their goal by July or August. They requested that the City pinpoint when they can move forward with the design effort so that when they are ready to bid out for construction there is not a design delay. Staff agrees with this and recommends that when they are at 50% of their funding goal, the City move forward with a design effort, of which half of the design will be paid for by the City. City Manager Napier then discussed the amount that the Council would like the City to contribute to the project, with a promised range between \$3M and \$4.4M. He stated he would prefer for the City to stay on the lower side of the range, which could be funded from different pots of money, primarily from capital fund 150. Funds would need to be available in FY24, as the Hockey Club could potentially raise all of the money this fiscal year. Councilor Engebretsen asked if Council could get a ballpark cost of the design portion of the project, and Ms. Lopez response that they will engage with the consultants and include that in a Council information packet. Council discussed naming opportunities from the fundraising materials, and Ms. Lopez stated that she staff will discuss this with them and clarify what the City is willing to offer naming rights on. Council gave their thumbs up to commit \$3.2M to the project, which will leave the Hockey Club with \$10M to fundraise. They also supported the 50% mark for design efforts.

7. Ford Wyoming Center (FWC) Fund Subsidy

Next, City Manager Napier gave Council an overview of the relationship that the City has with OVG360 over management of the FWC, and how the subsidization of that facility is calculated. He discussed two of the major features of the City's responsibilities, which are the net operating loss figure and the property/liability feature. Ms. Lopez explained that the net operating loss is what the City pays OVG to operate the facility, which is based on the cost for the City to operate the facility. The total fund subsidy includes that loss plus expenses that are required in the City's contract. She also discussed how the new General Manager of the FWC has been aggressive in filling the schedule at FWC, and has been successful in making rental deals that are low risk. Council also discussed the synergy between the FWC and the new sports complex, which will be breaking ground in three weeks.

8. Amending Utility Billing and Water Metering Fees

Next, Mr. Beamer discussed adjusting the utility billing and water metering fees to more accurately reflect the City's cost to perform these services. The fees have not been looked at since the 1990's and are underestimating the actual cost the City expends to perform these services. Some of the fees being considered for adjustment include the turn-on fee, unsubstantiated reread of water meter (if no error), frozen meter, construction meter deposit, and hydrant meter misuse. The new fees are projected to increase revenue by \$230K. Jill Johnson, Finance Director, stated that the City will not turn on water until a deposit is fully paid, but will work with people on bill payment plans. There are already 290 residents signed up for the LIEWAP program, which should help low income residents with their bills. That program is offered to residents who are having difficulty making payments. Councilor Gamroth asked for there to be some marketing to let people know that the deposit fee can be waived if there are letters of recommendation provided showing good rental history. Council gave their thumbs up to move the new fee schedule forward for formal consideration at a regular Council meeting.

9. Council Around the Table

Next, Council went around the table to discuss their respective board and committee meetings as well as matters of public interest.

The work session was adjourned at 7:27 p.m.

ATTEST:

CITY OF CASPER, WYOMING
A Municipal Corporation

Fleur Tremel
City Clerk

Bruce Knell
Mayor