

COUNCIL WORK SESSION

Tuesday, December 12, 2023, at 4:30 p.m.

The Lyric

1. Meeting Follow-up
2. PTO Program
3. Utility Rate Model Review
4. Utility Billing Ordinance Updates
5. Community Projects Process Debrief
6. Employee One-Time Payment
7. Agenda Review
8. Council Around the Table

Mayor Pacheco called the work session to order at 4:32 p.m. with the following Councilors present: Bond, Haskins, Sutherland Jensen, Cathey, Gamroth, Pollock, Vice Mayor Engebretsen, and Mayor Pacheco.

Mayor Pacheco reminded Council to fill out their financial interest disclosure forms for 2024 and return them to the City Manager's Office staff by December 20th.

1. Council Meeting Follow-up

There were no follow-up items.

2. Paid Time Off (PTO) Program

City Manager Napier explained that this program allows the ability for employees to have more ability to manage their time off. He then introduced Tracey Belser, Support Services Director, who discussed the differences between the current program, which includes disability (sick) time and vacation time, and the new PTO program. An employee committee recommended this change in order to allow employees more flexibility in taking time off. The bereavement leave policy has also expanded. The general consensus is that employees are favorable to the new PTO concept. The plan is to implement these changes January 1, 2024.

3. Utility Rate Model Review

Next, City Manager Napier, discussed the enterprise funds and the related utility rates. This cycle is different, because Council recently contracted with Raftelis to help the City in rate analyses. After these analyses, there may be some suggestions for different approaches to rate models in the new budget year.

City Manager Napier then began by discussing the balefill enterprise fund. He stated that the City of Casper is a customer to the balefill, and the balefill has customers outside of the County as well. 2031 is the year that the City is anticipating a new landfill cell opening, which has to be saved for over the next few years. He explained that the operational costs for the balefill are anticipated to increase due to increasing equipment costs. Increased wait times on heavy equipment have also led to increased costs as the City tries to maintain the old equipment while waiting on the new equipment.

Staff is proposing a \$20 increase in the tipping fee per ton, which is the primary revenue source for the balefill fund. This is a change from \$55 per ton to \$75 per ton. This will affect private haulers as well as the City's haulers (garbage trucks). The justification behind the increase is that the balefill needs to save enough money before 2031 to pay for the new cell construction and lining, as well as pay for the closing of old cells. There are other variables that may help with savings collection for the new cell, including increase in customers, especially from the energy industry, or inflation softening. City Manager Napier reminded Council that these rate adjustments are reevaluated every couple of years, and Council meets on interim basis to review the rates as well, so there will be plenty of opportunities to adjust the rates to variations.

Council asked why staff is recommending to front load the rate increases, and Cindie Langston, Solid Waste Manager, stated that she recommended this because, Casper's rates are much lower than the state's average, which allows for a larger jump quickly to help the City meet its savings goals. Councilor Gamroth asked about a solid waste mil levy. Ms. Langston responded that this was explored years ago, but the County would have to bring it forward, because they are the entity that is allowed to form special waste districts. She stated that staff could approach them about this, but she predicts they would not be interested because there would be no incentive for them.

Ms. Langston explained that the fees for residential customers are increasing by about \$2.80, but services are not changing. City Manager Napier also discussed that this includes the recycling depots. He stated that if Council would like to consider a more aggressive approach to recycling, this is where that cost would be incurred. There is also an option, if Council is in supportive, of creating a separate recycling enterprise fund. He also discussed the composting program, explaining that the fee structure for composting has been much lower than the actual cost, which is subsidized by about \$300K from the landfill. He explained that there needs to be some sort of sustainability from a business structure point of view. Right now, the cost is \$23 per cubic yard of compost, and staff is recommending to increase that rate to \$25 per cubic yard. Staff is also recommending that the City start charging commercial customers for the compost they bring through the gate, including yard waste. This will help to reduce the subsidy that the composting program has from the landfill.

Council discussed the recycling program, and discussed different options for the program, including curbside recycling. City Manager Napier stated that the City did send out a citizen survey four years ago which showed that the majority of citizens are in favor of the current recycling program and in favor of the \$1.70 extra charge to maintain the recycling depots. He stated that this Council could do a similar survey to again ask the citizens which type of recycling they would like to do or continue doing. Any expansion would probably call for the City to create a separate enterprise fund for recycling. Council gave their thumbs up to staff doing research into recycling options.

Next, City Manager Napier discussed the refuse collection enterprise fund, which is essentially the City's garbage truck operation, which pays a tipping fee to the balefill. Staff is proposing an 11% increase, which is \$2.80 per residential customer per month for the refuse collection. The capital expenses for this fund are allocated well, and staff does not foresee needing reserves this year to cover those costs. They do anticipate using some reserves in FY25 and FY26 to rotate sanitation

trucks and containers. Ms. Langston explained that the commercial rates have not increased as much, because there is more competition for commercial customers, and the City does not want to be priced out of maintaining that commercial business. Council discussed increasing the 11% increase to help recover costs faster, and gave their thumbs up to increasing the rates by 11.5% each year in the model.

Next, City Manager Napier discussed the water fund. He explained that this fund performed better than expected this year, partially due to the City being more aggressive with zero-read fees and delinquent notices. The capital costs for this fund had to be rolled over to the next fiscal year. This fund also benefitted from more appropriate investment funding and the interest income from those investments. The water and sewer funds are also benefactors of one cent funding, which helps this fund to not have to increase rates as rapidly. Because the City does not own the water plant, the City of Casper buys water from Central Wyoming Regional Water. The water rates reflect the City's efforts to recapture the costs that are paid to Regional Water. Staff is recommending a 5% increase in rates, in order to keep up with the anticipated increase in Regional Water's rates. This will be about \$4 per month increase over four years.

Next, City Manager Napier discussed the Waste Water Treatment Plant (WWTP). He explained that the City owns the WWTP and is charged by the WWTP fund for the sewer services to the City. Other entities are also charged for services, which means that improvement costs are not just the City's to bear. By 2033, the City will need to have saved money to deal with the capital improvements required for the WWTP. A capital proposal which will include these improvements will be brought to Council in an upcoming meeting. Council discussed the capital improvements and reviewing rates and these improvements over the coming months, especially after Raftelis does their rate analysis. Council gave their thumbs up to the recommended proposal to not increase these rates this year.

Next, City Manager Napier discussed the sewer fund. He stated that this fund did well this year, aided in part by revenue from one cent. Staff is recommending a small increase to these rates.

4. Utility Billing Ordinance Updates

City Manager Napier introduced Jill Johnson, Finance Director, and Brandy Coyle, Accounts Receivable Supervisor, to update Council on the utility ordinance. Ms. Johnson stated that per direction from Council, a 7-day grace period was added to the proposed ordinance to allow for resolution before automatic delinquency. Legal issues came up when staff looked into converting all customers to e-statements and the City is unable to require customers to do this. Customers must opt into or out of the automatic payment. The City's current technology does not allow for switching all customers to electronic billing, but staff are working to change that with additional accounting software. This will not be ready until late spring, so there are no electronic billing options in the proposed ordinance changes currently. This will be brought back to Council when staff has the ability to implement changes to fees for paper bills in-house. At that time, staff will also figure out ways to provide balefill passes to customers electronically. They are hoping to roll this out in July. The proposed ordinance changes also include changes to the appeals process, where the Finance Director, and then the City Manager, will be the final determination for an appeal. The customer will have the ability to bring their dispute through the court system if they

do not agree with the decision. Council gave their thumbs up to move the ordinance forward for formal approval.

Councilor Pollock left the meeting.

5. Community Projects Process Debrief

City Manager Napier introduced Fleur Tremel, Chief of Staff, to review the one cent community project funding process and stated that feedback from Council would be useful for staff to memorialize and use in the future. Ms. Tremel discussed that Council allotted \$2.25M for community projects and applications were open for one month. The total ask from organizations was \$7M, so Council was only able to fund less than a third of the total amount requested.

Ms. Tremel then discussed an issue with the Wyoming Food for Thought contract. Their original application included a request for a tractor and fire doors, which Council allotted money to. However, since that application was submitted, they have a new executive director, and they have decided they are no longer going to purchase the Ft Caspar school and are instead going to refocus their efforts. Therefore, they are requesting to use the original amount that Council allocated to them for food for weekend food bags and an assistant director position instead. Council discussed concerns they had with the changes to what the money would be used for, since that is not what was originally applied for or agreed to by Council. Council discussed their options, including distributing the \$85K that was supposed to go to Food for Thought to one or more other organizations, specifically those that were not funded, like Salvation Army. City Manager Napier added that if Council wants to allow Food for Thought to use their allocation for something that was not originally agreed upon, he would request that Council couch that allowance into a specific policy approach, so it can also be applied to agencies that try to submit invoices for something that was not in their original application. Council decided they did not want to allow the change to Food for Thought's contract, and will discuss the leftover funding at a future date with recommendations from staff about how to reallocate that money. Ms. Tremel stated that the Senior Center contract also has a requested change for the liability insurance portion, and the City Attorney's office is working with the Senior Center's attorney on that change. When it is updated it will go back to Council for formal approval.

Council then discussed the community projects funding process. Mayor Pacheco suggested setting maximum request amounts so that the total ask is not so much higher than the amount allotted. Council discussed if they should allow operational staff costs to be applied for. Council directed staff to come up with ideas to make the application more streamlined and easier for staff.

Councilor Pollock returned to the meeting and Councilor Jensen exited the meeting.

6. Employee One-Time Payment

Next, City Manager Napier discussed an option for Council to give a one-time payment of \$1K to all full-time City employees, and \$500 to regular part-time employees. The total amount from the general fund to pay for the payment would be \$645,448.00, and would be covered by the residual amount in the general fund balance. The enterprise fund employees would be paid separately out of their enterprise funds, not the general fund. Councilor Gamroth stated he was concerned about the optics of approving this when utility rates are being increased. Council discussed that these

types of payments help with recruiting and retaining high caliber employees. The majority of Councilors gave their thumbs up to the one-time payment, with option 2, the City paying for the taxes on the payment.

7. Agenda Review

Next, Council reviewed the agendas for upcoming Council meetings and work sessions. City Manager Napier stated he would like to bring forward an update about the Shooter's Complex get support from Council. This will be brought up in January.

8. Council Around the Table

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 7:19 p.m.

ATTEST:

CITY OF CASPER, WYOMING
A Municipal Corporation

Amanda Ainsworth
City Clerk

Ray Pacheco
Mayor