

COUNCIL WORK SESSION

Tuesday, October 24, 2017 at 4:30 p.m.

Casper City Hall
Council Meeting Room

AGENDA

1. Budget Discussions (Carter Napier)
2. Tax Increment Financing (Carter Napier, Pete Meyers)
3. Eclipse Debrief (Carter Napier)
4. Council Around the Table
5. Executive Session - Personnel

Mayor Humphrey called the meeting to order at 4:31 p.m. with the following Councilmembers present: Pacheco, Morgan, Johnson, Laird, Huckabay, Powell, Walsh, Hopkins, and Mayor Humphrey.

Council agreed to change the agenda and discuss the Tax Increment Financing (TIF) first. City Manager Napier began the discussion by explaining that a TIF is a tool for cities and towns in Wyoming to use for specific types of projects. He stated that tonight is meant as a review of the TIF and staff is not looking for direction. He then introduced Pete Meyers, Assistant Financial Services Director, to explain further the concept of the TIF. Mr. Meyers began by explaining that when a TIF is implemented, tax revenue collected above a baseline year's amount is set aside to be used for projects within the TIF boundaries. Common reasons for implementing TIFs include debt financing and providing a predictable source of operational funding for organizations, such as the DDA (Downtown Development Authority). He then reviewed the steps that would need to be taken if a TIF was set up for the DDA boundaries and explained some of the issues that may need to be worked through with the Department of Revenue regarding tallying sales tax revenue within the boundaries. He went over some models for different types of growth within the boundaries if a TIF was implemented, including a 5% growth model, a fluctuating growth model, and a model with extra growth caused by the TIF.

Council discussed reasons to support a TIF and concerns regarding the lack of flexibility that the tax revenue could be used for if a TIF was implemented. Mr. Meyers explained that the law is not clear regarding previous presentations for a proportional allocation of tax revenue split between the DDA and the City. City Manager Napier explained that tonight's presentation was for informational purposes only and although a TIF may be considered later on, it is not being proposed at this time. Mayor Humphrey stated that Council has already considered this and they turned it down but still had more questions, hence tonight's presentation. City Manager Napier stated that an appropriate time for Council to reconsider this would be around budget time.

City Manager Napier began a discussion regarding the budget. He gave an overview of the state of the budget and briefly reviewed some of the key points of the proposed budget amendment

that may be formally voted on at a regular Council meeting and would bring the budget into balance. He expressed concern over the 30% burn rate at which the current budget is using reserves, and stated that at this rate the organization would go broke by December 2020. He stated there are actually \$15M in reserves as opposed to the \$20M that was thought to be in reserves. He explained that he would like to change the reserve policy so there are only committed reserves which will create a 120 day reserve policy instead of the current 60 day reserve policy. He also expressed concern about the health fund's sustainability and stated that this will need to be looked into. He recommended that ten additional vacant positions be eliminated. The proposal also includes raising the franchise fee which will help raise revenue for the City. The budget amendment in total will cut costs by \$4.45M and the City will be in the positive by the end of FY18 if the revenue stays at what was projected. The budget will still require the use of \$88K in reserves.

He then went through the recent sales tax revenue reports, and stated that the City is \$680K above what was budgeted so far for FY18. He explained that the future of the budget will depend on municipalities continuing to receive over-the-cap funding from the State, and if this is cut, an additional \$3.8M will need to be cut from the budget. Other future discussions will involve subsidization of general fund dependent funds and evaluations of the enterprise funds. He also said he would like to put together a local revenue estimating group consisting of local experts to make projections for Natrona County which will help when creating a budget.

Councilmember Powell asked if the budget changes will impact services, and City Manager Napier responded that he does not foresee services being impacted in a noticeable way at this time. Councilmembers asked for a more detailed summary of the proposed changes to the budget, and City Manager Napier stated that this will be made available to them.

Next, City Manager Napier debriefed Council on the findings from the Eclipse event. He stated that the tax revenue that would normally reflect August receipts did not show an increase in revenue, but that he would not be surprised if the August reports are instead reflected in the next couple of months' revenue reports. Without the increased tax revenue, the City netted a negative \$143K for the event when staff and overtime pay is included. He then went over how events during the festival had national and international significance, such as Astrocon 2017, and stated that Casper was the number one trending topic on Twitter throughout the festival. He stated that the public safety function did very well and traffic downtown moved well. The Mobile Command unit was ill equipped for the weekend and may need some updates in the future. The public safety departments saved money on overtime costs by sending officers and firefighters home when they were not needed.

Next, Council went around the table to discuss their respective board and committee meetings and share ideas and concerns related to public matters of interest. Councilmember Powell reminded Council of some upcoming Wyoming Association of Municipalities events. Councilmember Laird stated that he would like Council to look into hiring a full time judge for the Municipal Court instead of the part time judges. Council agreed that they would like staff to look into this. Councilmember Laird asked that Council also consider removing the ethics ordinance, and Mayor Humphrey asked that staff look into this as well at the appropriate time.

Councilmember Johnson asked what the status of the public intoxication ordinance is, and City Manager Napier responded that staff has been meeting with the judges and proposals pertaining to this issue will be brought forward soon. Councilmember Morgan asked about Councilmembers having coverage for their boards if they are unable to attend. Council agreed that they would like to further discuss issues related to Councilmembers sitting on boards. Council agreed that they would like to look into CAEDA funding through the franchise fee further. Councilmember Laird brought up an issue related to a bridge near Verda James School, and City Manager Napier stated that he will contact the principal of that school to figure out what the issues with the bridge are.

At 7:11 p.m., it was moved by Mayor Humphrey, seconded by Councilmember Walsh, to adjourn into executive session to discuss personnel. Motion passed.

ATTEST:

CITY OF CASPER, WYOMING
A Municipal Corporation

Fleur D. Tremel
City Clerk

Kenyne Humphrey
Mayor