

COUNCIL WORK SESSION

Tuesday, March 22, 2016
After Special Regular Council Meeting
Casper City Hall
Council Meeting Room

AGENDA

1. Black Hills Energy Acquiring Source Gas (Norm Long, Shirley Welte)
2. Alcohol Court (Judge Keith Nachbar, Ernie Johnson)
3. Casper Events Center Management Services (Doug Follick)
4. Budget Review
5. City Manager Report
6. Future Agenda Review
7. Council Around the Table
8. Executive Session – Litigation

Mayor Sandoval called the Work Session to order at 4:39 p.m. with the following Councilmembers present: Councilmen Powell, Hopkins, Miller, Schlager, Heili, Johnson, Cathey, and Mayor Sandoval. Councilman Pacheco was absent.

Mayor Sandoval introduced Norm Long, Community Affairs Coordinator for Black Hills Energy, and Shirley Welte, Vice President of Wyoming Operations for Black Hills Energy, to discuss Black Hills Energy's acquisition of Source Gas. Ms. Welte began by briefly summarizing the information in a handout provided to Council about Black Hills Energy. She stated that the acquisition was completed on February 12, 2016. She gave a background of the company and discussed their mission and operations plan. Next, she explained the process Black Hills Energy will use to transition the community and employees. This process includes changing signage and uniforms, gradual notification to customers, and having both Source Gas and Black Hills Energy's names on bills until around October 2016.

Councilman Hopkins asked if Cheyenne's Light Fuel and Power has also been acquired. Ms. Welte responded that Black Hills Energy does own this company and that all the different companies underneath Black Hills Energy have been rebranded and will now all be called Black Hills Energy. Councilman Hopkins asked if the program that allows customers to lock into a two year fixed rate will be continued. Ms. Welte responded that they are looking into the program and are in the process of deciding whether to discontinue the program. She added that those customers who are currently under the fixed-rate contract will be able to continue the program for the remainder of their contract. Councilman Hopkins encouraged the company to continue the program.

Councilman Cathey asked if Black Hills Energy will continue to allow private insurance companies to use the Source Gas logo to solicit homeowners. Ms. Welte replied that she has not heard of these solicitations before but will look into it. Mayor Sandoval asked what the process is for going through the utilities commissions. Ms. Welte responded that Black Hills Energy was required to obtain approval in all four states that it operates in, and they were successful in being

approved. Mayor Sandoval then asked if Source Gas employees' benefits and wages have been affected by the acquisition. Ms. Welte stated that the seller required that wages and benefits of the employees remain the same for one year. After the first year, the employees will be absorbed by Black Hills Energy.

Next, Mayor Sandoval introduced Judge Keith Nachbar, Municipal and Alcohol Court Judge, and Ernie Johnson, Council Facilitator for the Governor's Council on Impaired Driving, to discuss the effectiveness of Alcohol Court in the Casper. Mr. Johnson began by giving a presentation on the impact of substance abuse on crime in Casper and Natrona County. Some of the trends that have developed over the last five years include the following: the number of total arrests and alcohol-involved arrests have decreased in Casper, but have drastically increased in other parts of the state; the number of drug-involved arrests have flattened in Casper but have doubled in other parts of the state; and public intoxication citations have decreased. Natrona County has one of the lowest number of D.W.U.I. (Driving While Under the Influence) arrests in the state compared with other counties. Natrona County is also trending down in the number of impaired driver involved crashes.

Councilman Johnson asked if the decreases are caused by a shortage in law enforcement officers in Casper rather than true declines in crime. Mr. Johnson responded that the number of law enforcement officers is similar in all counties, therefore the declining statistics are accurate.

Next, Judge Nachbar presented on Alcohol Court. He gave a background of Alcohol Court and how it was developed in Casper. One of the goals of the court is to improve the information that the judge receives when sentencing an individual. The program helps to improve many aspects of the process including reducing the number of individuals revoked for alcohol related offenses, thereby ensuring that probation of most individuals only lasts six months. The Alcohol Court ensures that the resources that are spent on training and equipping the Casper Police Department are recouped to the City.

Judge Nachbar then discussed the typical sentences for the Alcohol Court. Usually most of the six month jail sentence and part of the fines are suspended and instead six months of supervised probation, community service, ASI's, random drug tests, support groups and counseling are imposed. In Casper, it is highly likely that the offender will get at least a three day jail sentence. A higher sentence is imposed if it is considered an aggravated first offense or if it is a second or third offense. The mandatory jail sentence is a deterrent and helps the offenders stay on track with their probation in order to avoid more jail time. The program requires review hearings once a month where the judge follows up with the defendants and check-ins with the case coordinator to make sure defendants are completing their checklists.

Judge Nachbar stated that this process is working to accomplish the program's goals. The number of probation revocations has decreased dramatically due partially to the fact that a case worker and judge are making sure the offender gets everything done that is required of them. The number of D.W.U.I. arrests in Casper have decreased dramatically as well from 641 in 2010 to 292 in 2015 and the number of D.W.U.I. related car accidents has decreased from 101 in 2010 to 64 in 2015. Councilman Miller asked if these decreases are also evident in the County and State. Judge

Nachbar responded that these trends can be seen in Natrona County as well as other places throughout Wyoming.

Mayor Sandoval asked if this program would die if the Municipal Court moved to Circuit Court. Judge Nachbar replied that it probably would die, because most of the Circuit Court cases only require unsupervised probation and a fine, and the Circuit Courts have many other types of cases that take priority. Councilman Heili asked if there are programs to educate the public about these consequences. Judge Nachbar responded that they are trying to work on this education component. They have been educating high school students about the consequences of D.W.U.I.'s, including the mandatory jail sentence of five days for offenders under the age of 21. Mayor Sandoval asked if there is a jail sentence for an M.I.P. (Minor in Possession) charge. Judge Nachbar replied that this is a non-jailing offense and these cases will go to Alcohol Court. He added that public intoxication cases do not go to Alcohol Court, because those crimes are more often committed by repeat offenders, and therefore Alcohol Court would not be helpful to the majority of those offenders.

Mayor Sandoval asked how detoxing is dealt with when an offender is arrested or sentenced to jail time. Councilman Johnson responded that there is nursing staff at the jail to handle those individuals who are detoxing off of drugs and/or alcohol. If the offender's B.A.C. (Blood Alcohol Content) is above a 0.25, then the jail will send the offender to the hospital.

Next, Doug Follick, Leisure Services Director, updated Council on the private management of the Casper Events Center by Spectra. He explained that in October of last year Spectra made a presentation to Council proposing to take over venue management of the Events Center. After that presentation, another organization declared interest in managing the venue. Therefore, Staff allowed both companies to present proposals. Staff also conducted phone interviews and reference checks on both companies. Staff is recommending that the City accept Spectra's proposal. Mr. Follick noted that the other company never came to tour the facility and has not made contact after the interviews.

Mayor Sandoval asked where the City stands with the contract. Mr. Follick stated that negotiations have not started yet, but will be taking place after Council gives the go ahead. He added that he has seen agreements between Spectra and other municipalities and those agreements are similar to what their initial offer was in October.

Mayor Sandoval asked if Spectra will be able to deliver on booking big acts, and if there is anything that the City can do to help in that effort. A Spectra representative that was present stated that Spectra has the unique ability to deliver on big acts due to their purchasing power when routing big acts through the region. When trying to attract acts, it is important to be able to book in multiple locations versus booking at a stand-alone facility.

Mayor Sandoval asked what the time window will be until acts are booked at the Events Center. The Spectra representative stated that twelve to eighteen months is the typical timeline, but that they may be able to start before that. They can streamline the process to make it as soon as possible. Mayor Sandoval asked if outsourcing the management will affect employee benefits. City Manager McDonald replied that this can be negotiated and the City will look into the best way to facilitate

the employee transition. Mayor Powell asked if Mr. Follick has had the chance to privately meet with employees to gauge their comfort levels. Mr. Follick replied that he has not met with them one on one but has met with them in groups along with City Manager McDonald. He added that Bud Dovala, Events Center Manager, may have met with employees one on one. Councilman Cathey stated that there are a couple of groups of Events Center employees: those who are close to retirement and those that are close to becoming vested into their pension. He stated that negotiations should incorporate both groups, and the City needs to be careful not to harm those employees' retirements.

Mayor Sandoval asked if the City ever considered using an investment firm to draw bigger acts. City Manager McDonald stated that it was never needed, because the City always had a way to finance the acts. Mr. Dovala tried to limit the exposure of the City, and decided that an investment firm was not needed. Councilman Hopkins stated that it is because Mr. Dovala is retiring that the City should be looking into private management for the Events Center. Several members of Council praised Mr. Dovala for all of his hard work and the success he has brought to the Events Center. They reiterated that hiring private management is not a reflection of him, but is being sought after because he will be leaving. They added that standalone facilities are just becoming more difficult to operate.

City Manager McDonald stated that he met with the Wyoming High School Activities Association to address their concerns. He added that the priorities of the City in negotiating Spectra's contract are employees' contracts, continuing to be a venue for local events and tournaments, and show level.

Mayor Sandoval asked what the proposed timeframe is for the contract. Mr. Follick stated that they hope for July 1st in order to meet the fiscal year deadlines but added that that may be difficult. A representative from Spectra stated that four to six weeks is the typical transition time needed. Mayor Sandoval asked for a thumbs up vote from Council, and they voted to move forward with negotiating a private management contract with Spectra.

Next, City Manager McDonald discussed the Sales Tax Deficit Plan. Staff has revised the City's projected budget deficit to \$7.2 Million. To date, the City has covered \$4 Million of the total projected deficit. As of March, the City has started using reserves, and Staff are looking at secondary revenues. Personnel costs continue to provide savings through retirements and natural attrition. The City is in the process of restructuring to fill empty positions in order to provide additional savings. It is difficult to predict when the economy will stabilize. The City will need to start looking into reducing services soon.

Councilman Hopkins suggested that those who have been through this type of financial decline before may be able to give advice for the City's budget. He stated that he knows that may be difficult for Fiscal Year 2017, but it would be possible for Fiscal Year 2018. He added that there may be some ideas that Council should discuss and they should let City Manager McDonald know their ideas.

City Manager McDonald stated that Staff will be presenting next year's proposed budget to Council soon and that it will be different than past years. The focus will be on the overall budget

and not on specific line items. Staff will also be seeking advice about policy issues and the value of City services. Councilman Powell stated that the City cannot continue to reduce Staff and maintain the same level of service in all areas. He added that if and when service levels change, citizens need to be notified that non-essential services will not remain at the same level and there will be adjustments.

City Manager McDonald stated that Staff is working on a ten year glide budget plan. It is not currently ready, but Council will see it when it is. Staff plans to publish the budget books on April 21, 2016. Mayor Sandoval reiterated the point that the City still must provide essential services no matter the financial climate. He commended Staff for plotting a long term course for the City to handle the financial downturn.

Next, City Manager McDonald reminded Council of the Chamber of Commerce Legislator luncheon tomorrow and stated that Council has a table reserved. He then stated that there will be no Council meeting next week because there is a 5th Tuesday this month. City Attorney Bill Luben stated that if Council has questions about the lease agreement that will be on the April 5 agenda, they should speak with him before that date, because it will be difficult to work out any issues on the floor at the Council meeting.

Next, Council went around the table to discuss their respective board meetings. Councilman Cathey reminded Council that if they wish to convey anything to Planning and Zoning Commission, to let him know. Mayor Sandoval informed Council that he responded to the citizen who had asked Council to discuss Body Worn Cameras. He also informed Council that he received an emails back from Wyoming Department of Health Director Thomas Forslund about decreasing involuntary hospitalizations to save the state money and that he may be asked to speak on this issue in the future.

Next, it was moved by Councilman Powell, seconded by Councilman Johnson to adjourn in to Executive Session at 6:25 p.m. to discuss litigation. Motion passed.

ATTEST:

CITY OF CASPER, WYOMING
A Municipal Corporation

Tracey L. Belser
City Clerk

Daniel Sandoval
Mayor