

**COUNCIL WORK SESSION**  
Tuesday, May 22, 2018 at 4:30 p.m.  
Casper City Hall  
Council Meeting Room

**AGENDA**

1. Budget Review Session

Mayor Pacheco called the work session to order with all Councilmembers present.

City Manager Napier gave an overview of the budget with a focus on the general fund. He stated that the proposed budget is a balanced budget. He then discussed the sales and use tax that has seen a decline in the last few years, but is projected to have a modest 10% improvement in 2019, which is reflected in the FY19 budget. He then reviewed the four major industry classes, with retail bringing in the most revenue for Casper.

City Manager Napier then discussed the FY18 year end for the general fund, which has a projected surplus of \$1.1M. He discussed legacy imbalances for the Hogadon and Events Center funds that need \$1.1M in order to have a clean audit and be consistent with statutes. He explained that this has incurred over the last few years, and that it will not be allowed to incur balances like this in the future.

City Manager Napier then reviewed budgeted operating expenditures and general fund dependent services as well as the sewer fund, water distribution fund, refuse fund and balefill fund. He then discussed the optional one cent funding summary, and discussed that past Councils have expended one cent funds consistent with the community's input.

City Manager Napier then reviewed the state of the health fund, and explained that the fund is in a major deficit and the reserves cannot absorb the balance. Staff is recommending a 10% premium increase for employees and employer and the fund will need cash infusions also. Staff is also recommending removal of employees 65 and older as well as retirees from the plan.

City Manager Napier then discussed budget myths and explained that the City is not burning through reserves and the budget is balanced. He also discussed budget concerns for FY20 which include student resource officers, health fund, CATC, one cent, social services, Metro Animal, reserve policies, and the revolving land fund.

City Manager Napier then reviewed forecasts of scenarios for the general fund cash balance, which included variables of COLA, one time employee bonuses, health fund contribution, step increases, student resource officer and fund 30. City Manager Napier also discussed implementing merit pay as opposed to step increases. Council gave their thumbs down for a proposal to leave the budget as is without the extra variables from the cash balance. Council gave their thumbs down for a 2% COLA with no other variables. Council heard a proposal to fund four school resource officers, 2% COLA, \$225K to the health fund and \$225K to step increases. The budget will still be balanced, because there is a \$1M surplus in revenue. Council decided to review their options and discuss their decisions at the budget session tomorrow evening.

ATTEST:

CITY OF CASPER, WYOMING  
A Municipal Corporation

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Fleur D. Tremel  
City Clerk

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Ray Pacheco  
Mayor