

**INFORMATION PACKET**  
**Friday, June 3, 2022**



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**C.A.S.P.E.R.**

## The Grid

A working draft of Council Meeting Agendas

### June 7, 2022 Councilmembers Absent: Freel & Sutherland

Regular Council Meeting Agenda Items	Est. Public Hearing	Public Hearing	Ordinances	Resolutions	Minute Action
Approval of 5/17 Regular Minutes					C
Approval of 5/17 Exec Session Minutes					C
EPH Budget Amendment #3 for June 21, 2022	C				
EPH Budget FY23 for June 21, 2022	C				
EPH Special Malt Beverage Permit for Horseheads	C				
EPH Bar & Grill Liquor License for La Cocina	C				
EPH - Eagle Valley Addition No. 2	C				
Public Hearing - Parking Ordinance Changes		N			
Second Reading for Ordinance Amending Chapter 5.24 - Hotels & Rooming houses			N		
Second Reading for Mobile Vendor Parking Permit Ordinance			N		
Second Reading Ordinance Approving a Vacation, Replat and Subdivision Agreement for the Kensington Heights Addition No. 5 Subdivision			N		
Second Reading Ordinance Approving a Vacation, Replat, Subdivision Agreement and Zone Change for the Harmony Hills Addition No. 4.			N		
Accepting a public sidewalk easement from Casper (CY Ave) DG, LLC as part of the Dollar General Store construction at 6000 CY Avenue.				C	
Authorizing an agreement with Chalk Buttes Landscaping, Inc., in the amount of \$245,967.14, for the Highland Park Cemetery Irrigation Improvements, Project No. 21-029				C	
Authorizing an agreement with Wayne Coleman Construction, Inc., in the amount of \$85,307, for the 2nd and Lincoln Paving Improvement, Project No. 21-053				C	
Authorizing Amendment No. 1 to the Improvements Contract with Wyoming Spirits, Inc., and the Cadoma Foundation for the 2nd and Lincoln Paving Improvements, Project No. 21-053				C	
Authorizing an agreement with Crown Construction, LLC, in the amount of \$200,820, for the Solid Waste Exit Scale, Project No. 21-048				C	
Authorizing a Contract for Professional Services with First Interstate Bank for Investment Management Services.				C	
Authorizing Adoption of the Collective Bargaining Agreement (CBA) for July 1, 2022 - June 30, 2023 Between the City of Casper and the Fire Fighters' Local Union 904, I.A.F.F., AFL-CIO.				C	
Approving and Accepting a Conservation Easement and Approving the Purchase and Sale Agreement with Charles E. Piersall Chapter, Izaak Walton League of America				C	
Authorizing a Lease of Charles E. Piersall Chapter, Izaak Walton League of America Property.				C	
Authorizing an agreement with HA Baseball LLC, dba Casper Horseheads, for the operation of concessions at Mike Lansing Baseball Stadium.				C	

## The Grid

A working draft of Council Meeting Agendas

### June 7, 2022 (continued) Councilmembers Absent: Freel & Sutherland

Regular Council Meeting Agenda Items	Est. Public Hearing	Public Hearing	Ordinances	Resolutions	Minute Action
Accepting Donations to Restore and Revitalize “The Fountainhead,” a Robert Russin Sculpture, and Executing a Fiscal Agent Agreement with Wyoming Community Foundation.				C	
Authorizing a Lease Agreement with Casper Skeet Club				C	
Authorizing the Appointment of One New Member, Cole Montgomery, to Fill an Open Position to the Casper Natrona Travel and Tourism Board.					C
Authorizing the Correction of One Wyoming Association of Municipalities Resolution as Part of Casper’s Submission to Wyoming Association of Municipalities’ Legislative Priority Considerations for 2023.					C
Authorizing the Inclusion of Fiscal Year 2022-2023 Summary Proposed Budget into the Minutes of the June 7, 2022 Regular Council Meeting.					C

### June 14, 2022 Councilmembers Absent:

Work Session Meeting Agenda Items	Recommendation	Begin Time	Allotted Time
Recommendations = Information Only, Move Forward for Approval, Direction Requested			
Meeting Follow-up		4:30	5 min
Chris Navarro Art Installation	Direction Requested	4:35	20 min
Casper Business Center	Direction Requested	6:10	45 min
Budget Amendment #3	Move Forward for Approval	4:55	30 min
Facility Study	Direction Requested	6:15	30 min
Agenda Review		6:45	20 min
Legislative Review		7:05	20 min
Council Around the Table		7:25	20 min
Approximate Ending Time:			7:45

### June 21, 2022 Councilmembers Absent:

Regular Council Meeting Agenda Items	Est. Public Hearing	Public Hearing	Ordinances	Resolutions	Minute Action
Pre-Meeting: Municipal Court Update from Judge Martinez					
Approval of 6/7 Regular Minutes					C
Public Hearing: Budget FY23 for June 21, 2022		N			
Public Hearing: Budget Amendment #3 for June 21, 2022		N			
Public Hearing: Special Malt Beverage Permit for Horseheads		N			
Public Hearing: Bar & Grill Liquor License for La Cocina		N			

## The Grid

A working draft of Council Meeting Agendas

### June 21, 2022 (continued) Councilmembers Absent:

Regular Council Meeting Agenda Items	Est. Public Hearing	Public Hearing	Ordinances	Resolutions	Minute Action
Public Hearing: Eagle Valley Addition No. 2		N			
Second Reading - Parking Ordinance Changes			N		
Third Reading for Ordinance Amending Chapter 5.24 - Hotels & Roominghouses			N		
Third Reading for Mobile Vendor Parking Permit Ordinance			N		
Third Reading Ordinance Approving a Vacation, Replat and Subdivision Agreement for the Kensington Heights Addition No. 5 Subdivision			N		
Third Reading Ordinance Approving a Vacation, Replat, Subdivision Agreement and Zone Change for the Harmony Hills Addition No. 4.			N		
Approving the City of Casper's Title VI Program as required by the Department of Transportation for federal transportation assistance and authorized by the Civil Rights Act of 1964, 42 U.S.C. § 2000d et seq.				C	
A resolution authorizing a Professional Services Contract between the City of Casper and Foxster Opco, LLC, dba CTS Software, for Transit Dispatch Software.				C	
A resolution authorizing a Professional Services Contract for transit services with the City of Mills, a Wyoming municipality, for Fiscal Year 2023.				C	
A resolution authorizing a Professional Services Contract for transit services with the Town of Evansville, a Wyoming municipality, for Fiscal Year 2023.				C	
A resolution authorizing a Professional Services Contract for transit services with the Town of Bar Nunn, a Wyoming municipality, for Fiscal Year 2023.				C	
A resolution authorizing a Professional Services Contract for transit services with Natrona County for Fiscal Year 2023.				C	
Authorizing a Request to Natrona County to Continue the Collection of 8 Mills of Property Taxes on Behalf of the City of Casper.				C	
Approving the Vacation and Replat of Tract A, and Lots 8-37 in the Wolf Creek Nine Addition, to Create the Greystone at Wolf Creek Subdivision.				C	
River Grant				C	

### June 28, 2022 Councilmembers Absent: Mayor Pacheco

Work Session Meeting Agenda Items	Recommendation	Begin Time	Allotted Time
Recommendations = Information Only, Move Forward for Approval, Direction Requested			
Meeting Follow-up		4:30	5 min
One Cent Funding Recommendation	Direction Requested	4:35	60 min
FWC Study Spectra and Visit Casper	Direction Requested	5:35	30 min
North Platte River Park No. 2 Subdivision	Direction Requested	6:05	30 min
Ice Expansion	Direction Requested	6:35	45 min
Agenda Review		7:20	20 min
Legislative Review		7:40	20 min
Council Around the Table		8:00	20 min
Approximate Ending Time:			8:20

## The Grid

A working draft of Council Meeting Agendas

### July 5, 2022 Councilmembers Absent:

Regular Council Meeting Agenda Items	Est. Public Hearing	Public Hearing	Ordinances	Resolutions	Minute Action
Approval of 6/21 Minutes					C
Est Public Hearing: Ordinance for Police Response to Alarms	C				
Est Public Hearing: Amending Ordinance No. 35-12 an Ordinance Granting a Franchise to WERCS Communications, Inc., D.B.A. Mountain West Telephone, for the Construction and Operation of a Telecommunications Service System	C				
Second Reading - Eagle Valley Addition No. 2			N		
Third Reading - Parking Ordinance Changes			N		
Parking Manual Fee Changes				C	

### July 12, 2022 Councilmembers Absent:

Work Session Meeting Agenda Items	Recommendation	Begin Time	Allotted Time
Recommendations = Information Only, Move Forward for Approval, Direction Requested			
Meeting Follow-up		4:30	5 min
Speed Limit Ordinance Review	Direction Requested	4:35	40 min
		5:15	
Agenda Review			20 min
Legislative Review			20 min
Council Around the Table			20 min
Approximate Ending Time:			

### July 19, 2022 Councilmembers Absent: Cathey

Regular Council Meeting Agenda Items	Est. Public Hearing	Public Hearing	Ordinances	Resolutions	Minute Action
Approval of 7/5 Minutes					C
Public Hearing: Ordinance for Police Response to Alarms		N			
Public Hearing: Amending Ordinance No. 35-12 an Ordinance Granting a Franchise to WERCS Communications, Inc., D.B.A. Mountain West Telephone, for the Construction and Operation of a Telecommunications Service System		N			
Third Reading - Eagle Valley Addition No. 2			N		

## Future Agenda Items

### Council Items:

Item	Date	Estimated Time	Notes
Formation of Additional Advisory Committees			
Excessive Vehicle Storage in Yards			
Graffiti Abatement & Alternatives			
Safe Place Program Implementation & Resolution			
Non-discrimination Ordinance			
Code Enforcement - Municipal Code?			
Handymen and Home Inspectors			
Lifejacket Update			Summer
Drug Court Update			August 23 or later
One-Way to Two-Way Conversion Follow-up			End of Summer
Incarceration Budget			

### Staff Items:

Unsafe Structure Ordinance Follow-up			
City Inspectors Authority/Oversight of Licensed Contractors			
Shipping Container Ordinance Update			Summer
Recreation Refunds			
Sign Code Revision			
Council Goals Status Update			
Cemetery			
Demolition Safety Barriers			

### Potential Topics-- Council Thumbs to be Added:

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### Future Regular Council Meeting Items:

Authorizing the Appointment of One New Member, Kate Maxwell, to Fill an Open Position and the Reappointment of an Existing Member, Errol Miller, to the Central Wyoming Senior Services Board.			
Support for WAM Resolution regarding liquor license issues.			
Resolution on Service Fees Police Response to Alarms	August 16		

### Retreat Items:

Economic Development and City Building Strategy
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# CITY OF CASPER, WYOMING

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May 31, 2022

MEMO TO: His Honor the Mayor, and Members of the City Council

FROM: J. Carter Napier, City Manager *JCN*

SUBJECT: Budget Message for Fiscal Year 2023

## **Introduction**

Pursuant to the direction of the City Council and as required by State law, the proposed Fiscal Year 2023 (FY 23) budget is attached for Council's review. The attached budget represents a balanced approach for funding the operations of the City of Casper and providing services to the citizens of Casper for FY 23. The attached budget however is staff's collective suggestion as to how the funds should be allocated for the next year. Council now has the responsibility to review the draft budget materials, make changes as necessary, and provide further direction as Council sees fit. The budget should reflect the will of the Council as to the City's finances for FY 23; it is our hope that the budget work sessions will help draw that direction into the discussions and the budget document, as it needs to be formally considered no later than June 21. The total budget being proposed for FY 23 is \$165,930,287.<sup>i</sup>

## **Summary Overview**

As the pandemic wound down through '21 and into the new year, and the program dollars from the Federal Government had all but vanished, not only were goods producers already behind from the historic ballooning demand and closed factories, but the employees needed to get manufacturers caught up were not coming back to work in enough numbers in order to help producers reconcile production with the new demand for goods and the existing backlog. Accordingly, as FY 23 comes into focus, producers are still slow to make up the gaps. While demand remains high in states like Wyoming, who are not exactly close to market, they become a ground zero for the effects inflationary pressures have on goods needed, particularly at the municipal level. In the meantime, the same deadline exists for municipalities and states to spend the dollars that have been infused at the government level creating a larger than normal demand for goods and services relating to public service-type projects. As with anything, where a healthy demand remains in place in the face of a weak supply, prices will always respond by pushing upward even for cities. This complex dynamic has put many projects in jeopardy and also made projections less and less dependable.

A factor helping the local economy to measure up to FY 22 projections anticipated in the current budget is the moderate recovery of the energy industry over the last year. If indeed the energy market continues to see \$100/barrel for oil<sup>ii</sup> and rig counts remain steady<sup>iii</sup>, fiscal stability associated with a more sustained recovery becomes much more feasible for FY 23. While 2019 saw a rig count in Wyoming in the 30's (and above in years prior), keeping tabs with what

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production looks like over the next fiscal year will be critical given that the State's economy, along with Casper's outlook, being still tied heavily to oil production over the next year.

It has been nice to see events and activities come storming back in 2022. Travel through Casper has been robust, activities that were once viewed as questionable, are finding their same stride they many have feared lost forever two years ago during the pandemic. Accordingly, the best news for the FY 23 is that while the major, crippling effects of the pandemic are largely over, some lingering challenges are ours still to navigate. Yes, those challenges are not related to government induced business shut down and correlating economic downturn. However, the community does still have supply chain matters at hand, corresponding cost impacts, and employee migration to be mindful of throughout FY 23. While there certainly are challenges that lie ahead that this budget tries to carefully anticipate, the outlook for FY 23 is certainly more positive than recent budget efforts have had the difficulty of reconciling.

Accordingly, the attached budget not only anticipates moving forward but also finding a path for dealing with legacy issues afforded by carefully guarded federal dollars and the anticipation that if other larger project dollars do come together, the plan and data necessary to leverage those dollars will be well at hand and ready to deploy despite the stubborn forces driving costs in the wrong direction.<sup>iv</sup>

### **Revenue**

#### *General Fund*

One of the biggest misconceptions that come from an inflationary period is that of assuming that because expenses are increasing, that indeed operating revenue and more specifically sales tax revenue (in Wyoming), will likewise increase on a dollar for dollar basis. It is anticipated that indeed as citizens spend more, taxes as a percentage of spending, particularly with sales taxes, should see an increase. However, with inflation being such a much larger factor locally than expected<sup>v</sup>, it is advisable to expect that Casper citizens will likely change consumption patterns, at least temporarily, in order to have income catch up with the cost of consumable goods. Meaning, the proposed budget is not balanced upon an assumption that given recent inflation numbers, revenue projections should be calculated at increases in the range of 7-10% higher for FY 23. The trick for Council will be to calculate its tolerance for a more moderate projection or one that assumes a more rapid response from the local economy to provide aggressive growth.

As Council is aware, Staff works very hard to analyze operations in such a way that ongoing operations are not funded with one-time money that often can be mistaken for ongoing revenue. This principle deserves discussing more this year in that there is the misconception that because there were payments from the Federal Government (through the State) last year<sup>vi</sup>, final payment coming in through ARPA this spring, that operations and services are now funded very well. The reality is that this is not correct.

One can certainly make the argument that dollars from both CARES and ARPA that the City has leftover have lost their identity consistent with the original rules and are eligible to be used for



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operational needs. The problem is that while these dollars seem like a huge treasure, they are only one-time dollars; it is not anticipated that the City will ever get a shot in the arm of any dollars of this sort again. If Council has the interest to use these dollars for ongoing operational expense, Council would need to do so with the understanding that the bills the dollars would pay will not go away while the described balances will diminish quickly. Council is aware that in the case of supporting raises, for example, there is a compounding affect over time that one-time, static dollars cannot keep up with. Accordingly, funding projects with dollars of this nature is the proposal the FY 23 budget is built around vs. strategies that build these dollars into unyielding, unending operational needs.<sup>vii</sup>

One much smaller instance exists in the FY 23 budget that may appear on the surface to be a contradiction to this guidance. In the case of the impact dollars that was awarded two years ago by the Industrial Siting Committee, the Police department's operational budget is being supplemented by the balance of those dollars. In the original presentation that the City provided to the Committee, overtime for the public safety efforts in Casper was given as a likely use for the \$1.2M the City ultimately received. It was also proposed that public safety equipment uses and relevant street projects would also be needed.<sup>viii</sup> Given that the other uses are also accounted for on the capital side, PD overtime was the only application that, albeit expressly approved, is an operational entry. Consequently, this year incorporates that unique investment understanding that indeed next year the same financial benefit will not be available. Even though the representation was never that those dollars would continue year in, year out, Staff would suggest that if these dollars are not spent entirely in FY 23, those remaining dollars should roll forward to FY 24 - OT in keeping with the original representation for this award and the full portion PD is permitted.

Direct Distribution is a revenue stream the City of Casper would be better served to utilize as project dollars instead of the significant position it holds in the City's operational portfolio currently. While this has been a feature of the City of Casper's revenue strategy for many years, it has only been an operational bulwark for seven years in accordance with the allowance afforded by the State Legislature.<sup>ix</sup> Like has been stated in many Council budget discussions since then, the Legislature has the authority to alter and/or remove this revenue program each biennium.<sup>x</sup> With a \$4.6M footprint in the operations of the general fund, its loss would represent quite a feat to replace. As an example, the cost for the City to fund the City's health benefit (as the employer) in the general fund alone is \$5M. It is hard to imagine how the City would do what it needs to do without the direct distribution program.

The largest single source of operational revenue in the general fund is the sales taxes.<sup>xi</sup> Consequently, accurate prediction of this volatile revenue source is critical. Current sales taxes are trending approximately 1.66% above projected sales tax. The estimate for FY23 provided by the October CREG projects a 5% increase from FY22 to FY23. The increases are assumed to be partially due to increased prices per item, not necessarily to increased items being sold. As prices continue to climb for the items which are available for sale and quantity of goods continues to diminish, the prospect that sales taxes will level off or even recede is a concern. During times of high inflation, the trend is for sales to pull back thereby reducing taxes received. Given this information and reviewing the inflation rates published (according to some reports, some areas have been as high as 10.4%),<sup>xii</sup> the increase in sales taxes was calculated as

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5% from the FY22 budget number. A report from WAM suggests that 3.82% may be a better projection to consider given the dynamic just discussed that high inflation can very well dampen consumption leading to potentially lower rates of inflation and/or lower tax receipts. Accordingly, Staff is suggesting adopting this growth factor in that it is not an aggressive position nor does it ignore the fact that indeed higher prices should have some beneficial pressure on sales tax dollars the City receives. This forecast requires a \$20.4M in sales and use tax receipts by June 30, 2023, which also assumes that the receipts for current year won't fall below the 1.66% projection currently anticipated.

Property tax revenue has found a place within the public dialogue lately, largely in response to the increases property owners are being burdened by recently from the property taxes they pay. While this incremental increase has been going on since 2020, the realization of any increases into the City's general fund has not been had, yet. It is hard to imagine that with the rate by which property taxes have increased at various times over the last few years that the City would be completely left out of any surges. Particularly if indeed state mineral valuations are included at all in the calculation for municipalities. Accordingly, staff recommends a \$5M infusion for FY 23 recognizing that the increases on the municipal revenue side must eventually be had.

One of the elements of debate lately is that of whether or not municipalities in Natrona County should drop their request for the historic mill levy asked of the Commissioners by the City so that the net volume of taxes the citizen pays is relatively static. Doing so would not be consistent with the same dynamics that call for the Assessor's office to consider tax hikes each year in that they are ostensibly charged with maintaining pace with increasing valuations. If there is any argument that the increased valuations are a necessary response for the Assessor's office to changing economic conditions locally, then the City has the exact same obligation to try and keep pace with the rising tide of inflation locally as well (as discussed, a number of times in this very message.) Reducing the request for the historic level of mills (thereby reducing access to needed operating revenue) ignores the need to keep up with ballooning costs in order to maintain services. Furthermore, taking an action of reducing mills also positions the City to essentially absorb the impact of policy decisions the City has no input into or authority over with precious operational dollars. In the face of significantly inflationary conditions, this is a hard proposal to get behind. Either of these actions is tantamount to ultimately requiring the City to find more ways of offsetting a number of expenses in order to artificially deflate revenue the options of which all lead to diminishing the City's ability to maintain the current level of services.

If the City does see an abnormally large windfall created by the multiple property tax increases being experienced locally, Staff would propose using those new dollars to replace revenue derived through the direct distribution program so that the operational dependency the City has on the same can begin to be reduced and those dollars can be directed toward capital needs. To be clear, as of the writing of this message, the City has not incurred anything but a very gradual increase in property tax dollars to date.

Franchise fees are a big contributor to the operations of the general fund. Staff is projecting \$4.5M to be collected in this category in FY 23. This is fairly consistent with what has been collected in recent years. In recent years, legislative and regulatory changes have indeed hampered cities and towns abilities to see the potential for this revenue category improve both in

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Wyoming and across the nation. Despite these efforts, the growth locally of the presence of the telecom industry as well potentially for crypto currency mining development will at least bolster this revenue category if not improve it over time. Council's goals along these lines in terms of developing the associated infrastructure are very timely indeed.

Unfortunately, inflationary pressures will likely impact this revenue stream in both good and bad ways. As these pressures remain or grow, invariably service providers will see the need to raise their rates in order to keep up with rising costs of doing business nationwide that will be felt here at home. While this is a bad development for our rate payers here at home, it will likely produce upward pressure on the receipts the City takes in to the general fund since those fees are calculated based upon the fixed percentage by which those services are purchased here in Casper. However, staff has not tried to balance the fortunes of the general fund on this revenue stream but has proposed rather to keep this revenue stream static for the next year.

Some may have heard that the State may see an improvement in the minerals and severances areas of their general fund budget over FY 23. To be clear, the \$4.1M that is slated for collection at the local level for the City of Casper will likely not improve beyond this number. While it is a blessing in Wyoming to have these resources reach down into the local level in the form of the benefit they provide, it is understood that when the State sees improvements in minerals and severances, cities and towns in Wyoming will need to look for other ways in which an influx of these dollars may provide benefit. Certainly, the birth of the direct distribution program can be tied back to the caps that the Legislature put in place back in 2000 onto the earnings cities and towns had historically enjoyed through these revenues. Hence the reason the direct distribution program used to be referred to as "above the cap" dollars made available for cities and towns. Nonetheless, this portion of the City's general fund revenue portfolio joins just a few other revenue centers that is largely responsible for a cadre of services the general fund hosts. While this revenue section may fluctuate some, its lack of growth over time does not discount the loss that would be felt if the City were to lose pieces and parts of this important revenue feature for cities and towns in Wyoming.

Certainly, a general fund revenue that has proven to be a significant surprise as to its resiliency through the pandemic and since then is that of building permits dollars. Typically, this revenue stream is directly reflective of the amount of building activity happening within the City limits. However, this year might be somewhat different in that larger numbers may be far more indicative of the increased cost of building without necessarily having more building activity. As one anecdotal example, OSB over the last year or so has increased in unit price from \$7/sheet to \$60/sheet. If indeed basic building materials like the example here are having similar increases, it is very easy to see why a projected \$132M building valuation may not be reflective of what would otherwise appear to be a building boom.<sup>xiii</sup> Furthermore, pricing of this nature is usually also reflective of a limited ability to access the needed materials as timely as well. Nonetheless, while the timing for completion of the projected projects throughout FY 23 may be delayed, they are getting started, permits are being issued, and thankfully the work is continuing here in Casper, WY. Staff believes that a respectable building trend will continue into the next budget year thereby contributing to an overall building permit revenue stream of \$1.2M, which is buoyed by a commercial construction valuation of \$73.4M.<sup>xiv</sup> Some of the welcomed commercial projects coming forward in FY 23 will likely include:

- Reconstruction of the old Star Tribune building valued at \$16M
- Rehabilitation of the Clarion valued at \$15M
- Indoor sports facility \$10M

Residential building has picked up over the last couple years as well. While it has been interesting to see the chilling effect that recent property tax policy has had on subdivisions that were thought to be coming online, those trends are starting to reverse. Last year 76 housing starts were permitted; staff is conservatively planning for 60 single family homes at a potential value of \$18M for FY 23.

### *Enterprise Funds*

Unlike the General Fund, the Enterprise Funds, or business entities of the City of Casper, are much more predictable and plannable and are managed by policy decisions made independently by the City Council. While there are pressures to maintain rate structures that are not overly dependent on large, annual increases, Council has taken great strides in recent years to review much more often and closely the performance of these funds. Council takes seriously the oversight of these funds to ensure safe, dependable and effective services for a moderate cost. However, FY 23 will not be a year that Council will need to entertain rate hearings on all of the enterprises as the City will be in an interim year. However, if 1% is not renewed in November, Council will need to consider seriously projects that need to be dropped over the next four years or the rates that need to absorb the lost capital funding (\$2M in sewer and \$10M in water.)<sup>xv</sup>

### *Water*

One of the debilitating factors thrust upon the water fund recently was that of the significant interruption of the ferric compound supply needed for treatment to keep up with irrigation demand last summer. Thankfully, the community and large consumers responded well to help reduce consumption and ultimately meet demand with the slowed supplies. The health of the fund helped weather lower water sales to where the fund was still able to remain well positioned. As of the beginning of FY 22, the water fund had a healthy fund balance of \$13M. With the required balances pursuant to the reserves and restricted amounts right at \$7M, there is yet a balance of \$5.4M to help offset some needed capital even though the water garage project had to be removed for now given the out-of-line project costs. With the budgeted cash impact, there will still be a balance of \$3.9M to retain in the equity position of the fund going into FY 24. This strategy is in keeping with Council direction to raise rates just enough to cover the rising costs of purchasing water thereby allowing the value of the fund to bear some capital costs without offsetting revenues to replace those losses on a dollar for dollar basis.<sup>xvi</sup>

As for some projects the water fund will employ over the next year, they include:

- Backhoe replacement of \$200K
- Booster station improvements \$100K
- Water line replacements of \$2.5M (1%)

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### Sewer/WWTP

This fund (which is technically one of two funds that accommodates the entirety of the sewer system) has been one that will need a series of rate increases next year and beyond to keep ahead of not only increasing costs, such as a 6% inflation factor, but also a fairly low network expansion factor. Council is also aware that a number of interim repairs are needed to the plant as well. Given the significant balances this fund has had over the last several years, many projects have been able to be leveraged while still allowing this fund to perform at an optimal level historically.

This fund also has the added burden of supplying funding back for the State loan on the North Platte Sanitary Sewer Rehabilitation/Interceptor project and earlier work on the plant itself. This financing carries with it an average debt service expense of \$1M/annually.<sup>xvii</sup> Despite the fact that 25% of the original loan through the State will be forgiven for the North Platte Interceptor, the \$6M principal will be on the books being repaid for the next twenty years.

With the proposed FY 23 budget, and in line with what Council formally directed in November 2021, the activity of the fund over the next year will see a planned equity loss of \$1.1M. Accordingly, even though \$194K will still be on hand over and above the \$2.5M reserve, the unencumbered cash balance will temporarily fall out of optimum operating range for the next couple of years assuming water consumption stays relatively flat. While the mandated reserves balances remain untouched starting FY 24, Council certainly has the authority to reverse this fund's trajectory toward optimal operating condition sooner than FY 25, if preferred. That of course can come by way of more aggressive rates or by reducing the amount of pipe and other equipment repairs and replacements will be undertaken over the next few years.<sup>xviii</sup>

The sewer fund will contribute the City's relative portion for the costs to cover the \$1.5 M Secondary Rehabilitation Phase II project, \$150,000 HVAC replacement, \$150,000 Blower Controls Upgrade project, as well as several smaller dollar equipment purchases. Additionally, \$1M (\$500K of which is funded through 1%) will be utilized for line replacements.

### Refuse/Balefill

The symbiotic relationship enjoyed with these two funds has proven to be a very reasonable, effective means of isolating costs and providing independent revenues needed for the respective improvements and needs these funds host. (Refuse covers the business side relating to curbside pick-up, and balefill covers the disposal.) Since the refuse fund is the biggest "customer" of the balefill fund, this model however took on more meaning this past year in the way in which the tipping fee passes are billed to the refuse fund. In normal years, this cost is in the neighborhood of \$450K to the Refuse fund, however, since the pandemic period, the ballooned cost of \$600-750K is more of the norm now for this service the citizens are really growing to enjoy. While a program cost to swell by 34% unexpectedly is no small manner, the response is starting to be absorbed as a feature of the rate design and is not having as disruptive an influence on the behavior of the fund. Should the program retract into a more historic level, that will be a welcome change that will prove beneficial for the refuse fund.

As another feature of the pandemic period, commodity pricing did not work in the favor of these funds either. Like many things, steel experienced a significant increase given the slowdown in

the production of this material. For the refuse fund, the routine purchase of sanitation trucks and steel dumpsters proves to be quite a bit more challenging when those prices shift 40-45%. These kinds of purchases represent 20% of the expense portfolio in the refuse fund making these shifts hard to address. For the refuse fund specifically, putting off much of the rolling stock purchases was necessary in order for the fund to have time to rebound somewhat given a number of expensive changes over the previous two years. Consequently, refuse has an ambitious replacement agenda for FY 23 in the form of \$2.1M for some sanitation trucks, a roll off truck, and a recycle truck chassis. The balefill fund is less of a cost burden, at \$1.1M for bale haulers, a road grader, and a wheel loader replacement.

The balefill operation is in need of expanding its landfill cells while simultaneously closing another. As Council is well aware, this is not an inexpensive endeavor. Every five to seven years, additional lined landfill space needs to be constructed. Construction of the fifth lined landfill cell will be in progress starting in July 2022.<sup>xix</sup> The project is estimated to cost \$4 million and tentatively the construction project is scheduled to be approved by City Council June 21, 2022. In accordance with the cost being something that can be anticipated and planned for, Council will need to be aware that the savings for such an endeavor needs to start in earnest and hopefully be going in that direction by no later than the end of FY 25. The lack of attention to either stopping subsequent equipment purchases or fees sends the performance of the fund into reserves fairly rapidly by FY 26.<sup>xx</sup>

For both of these funds, these equipment purchases and project initiatives were all anticipated by the rate model presented to Council in late 2021. Pursuant to the rate model Council approved in November 2021 and given the capital prospectus being proposed, the balefill will actually be able to incur some positive cash activity of almost \$200K despite the rather heavy lift with projects and equipment needed for this enterprise.<sup>xxi</sup> These dollars will grow the cash balance over and above the reserve requirement for this fund to \$2.4M by the end of FY 23.

The refuse fund has been a much greater challenge over the last couple years as Council is aware. This fund is really only meant to provide for the costs of delivering a curbside service which of course includes providing dumpsters in alleys for the homes and businesses that have them and roll out containers and on-site dumpsters for the commercial customers. With the plan Council adopted and in concert with the continued careful timing of significant purchases in light of materials increases, this fund will make money again by the end of FY 24. With the current proposal, Council will need to keep an eye on the fund's foray into reserves (by about \$150K) to be sure that the recovery is as imminent as currently projected. Ultimately, Council gets to decide how fast they would like to see the fund recover and under what mix of strategies that could work. Once this year is past and no surprises hit this fund again, the rolling stock will be back up to par and the behavior of the fund will be adapted to the new normal our citizens are demonstrating.

Consistent with Council's goals is the commitment to seriously consider the advent of a dedicated revenue stream for the maintenance and management of the stormwater system. One of the factors leading to the development of this goal is the response Council has provided recently that suggests \$20K annually being currently dedicated for the management of an asset 70% the size of the sanitary sewer system (which commands at least \$1M in annual operating

dollars in Casper) is woefully inadequate. As Council has heard, the funding necessary to provide for needed repairs for the existing stormwater system equates to about \$15M. Furthermore, the added implements needed to appropriately deal with existing capacity requires \$35M in the next 15-20 years. In the spirit of being tasked with solutions necessary to deal with this vacuum of needs, an enterprise concept merits serious discussion as to its viability despite it not having been an option in the past.

### **Expenses**

Managing inflationary pressures in this budget proposal is the challenge of the day in constructing this year's budget. Many overt mechanics in the design of the FY 23 budget are anticipating costs for a number of municipal goods having significant upward pressure. As examples indicative of a common theme in the budget that Council can expect:

- Lining of 54-inch diameter pipe expected to cost \$366/ft. during design rose to \$463/ft. at the time of bid (27% increase).
- Installation for PVC pipe was estimated at \$42/ft, but came in at \$74.50/ft three months later (77% increase)
- Standard Ford F150 in 2021 was \$34,452 – today it is \$42,896 (25% increase)
- Standard Police cruiser (no equipment added) in 2021 was \$34,061 – today \$40,008 (18% increase)
- Regular gasoline in 2021 was \$1.29/gal – today it \$4.18/gal

Sustaining expenses that are increasing this dramatically requires offsetting strategies such as buying less, doing less projects, or finding more revenue. For employees, added revenue becomes critically important when facing similar increases in their personal lives which can be an expensive proposal for the employer.

### *Human Resources*

One of the more difficult questions Council will have to grapple with as it relates to supporting operations is what to do for our employees, particularly during an exceptionally inflationary time. Undoubtedly for a service organization such as the City of Casper, inflationary periods present a more difficult-than-normal dynamic of making sure our employees are not losing money to live while serving as an employee for the City of Casper without risking the viability of the service they provide. Furthermore, the City is trying to find the balance of meeting citizens' service demands and the costs of funding new positions while still keeping our employees' wages viable. Close to 52% of the operational budget is tied to employee wages and benefits types of expenses. That is nearly \$56.5M spent in the support of our employees and their associated benefit costs. Of those costs, just about 30% can be attributed to the expenses related to providing the other benefits the largest of which is health insurance to our 515 eligible employees. <sup>xxii</sup>

The measures that have been taken to reconcile budget shortfalls in recent years have definitely had a challenging impact to the staff resources necessary to provide the array of services the city

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offers. Council was very helpful in FY 22 with these matters in that a number of critical needs garnered Council support for some new positions. A few key examples include the hiring of a cyber security analyst, a communications generalist, a training captain in Fire, a safety officer, and a clerk of court. These hires have really helped move the needle not only for some critical operations, but also with respect to Council's goals as well.

To that end, Council actually requested that a few positions be obtained for FY 23, which include:

- Associate Engineer I – Engineering – This position was the result of a dialogue with Council concerning the possibility of reducing what it is the City spends on outside engineering services in order to fund a new position for the Engineering team. The fully loaded cost is reduced from the dollars that would otherwise be spent on some more general engineering services needed for capital projects.
- Police Officer – PD – In regards to security concerns posed by the Court team, Council asked that an PD officer be dedicated to providing Court security oversight. In return, Council agreed to backfill the spot an experienced officer that is now assigned to Court leaves open, thereby increasing the overall FTE - sworn by one.
- MPO Communications and Marketing Generalist – MPO – While Council has been very focused on improving more dynamic communications to the community, an opportunity presented itself with MPO. The recent increase in federal dollars along with the ever-increasing Federal requirement to actively engage the public in MPO and transit matters creates some serendipity for Council's push for more proactive outreach. This position, being funded through federal dollars, accomplishes a number of critical missions.

The question continues to loom for department heads each year as to what their most critical needs are in response to areas where their customer demands are most acute. Having not had any requests for new positions for some time (prior to last year), it does not seem realistic to go without having some position requests in order to shore up some of the most critical of needs. Those requests include the following:

- Parks and Rec Worker II – Athletics – A position was requested in the Athletics field maintenance operation within the Parks Fund. Athletics field maintenance staff is responsible for maintaining 33 athletic fields and 10 tennis courts. As recently as 2018, the Athletics field maintenance workgroup staffed six fulltime employees. However, as employees have left the organization, positions were not backfilled. Currently, there is one full time position and one seasonally shared full-time position that contribute to this effort under the direction of a supervisor who oversees league sports programming and outdoor field maintenance. The position will assist with maintaining athletic fields including mowing, irrigation, field prep for games and tournaments, and repairs to athletics grounds. In the off-season, the employee will assist with snow removal efforts and winter maintenance to amenities such as lighting and fences.
- Parks and Rec Worker II – Weed and Pest – This position will be utilized to enhance weed and pest control programs within the Casper city limit that will improve the overall health and appearance of our parks, City facility grounds, and special areas. Additional staff in Weed and Pest will also benefit our Urban Forestry and snow fighting operations, since it frees up resources that can be redirected to these important



efforts. The position will also aid in allowing the division supervisor to invest more time in effective operation planning and developing/maintaining programs that engage and educate the public.

- Police Accreditation Specialist – PD – The accreditation process undergoes rapid changes, due in part to changing societal and legislative expectations for the police profession. An accreditation manager would oversee the Police Department's reaccreditation, achieve advanced accreditation, and begin the process for our Communications Center to also become CALEA Accredited. A few responsibilities to achieve these goals would be, updating the department policies to meet rapidly changing industry best practices, scheduling CMS reviews, and coordinating and overseeing mock and full onsite assessments. This position will better assist the department in policy creation and maintenance to ensure departmental training in safety and liability areas is meeting industry best practices and standards. Once accredited, the Casper Police Department, and the City of Casper, will have the proud distinction of being the only agency in the State of Wyoming to have achieved this status.
- Equipment Operator I – Balefill – Refuse Collection staff collects and transports roll off containers for the balefill fund transfer station and biosolids composting facility without any revenue collected. It is more appropriate for the balefill fund to have a full-time employee dedicated to roll off container management (residential construction waste and metal recycling drop off areas and biosolids composting area) than for the refuse fund to perform and financially support balefill fund activities. Current commercial routes are at capacity. This will allow a third commercial trash route to be created, allowing continued 3% trash collection customer account growth and 7% commercial cardboard collection customer growth. Overtime in the Refuse Fund will be reduced by \$14,200 (28.8%).
- Municipal Worker I – Balefill – The full-time Municipal Worker II position was cut in 2017 thus leaving no dedicated position to community litter routes for the last five (5) years. Re-classing the part-time position to full-time will result in litter collection throughout the City arterial streets; thus, improving street aesthetics and enhancing the Keep Casper Beautiful program. Currently the part-time position has \$12,000 in part-time funding; thus, the part-time budget was reduced by \$12,000 and an additional \$40,000 was included in the November 2021 rate model to reclass the position to full-time.
- Solid Waste Collection Operator I – Refuse – The proposed new Solid Waste Collection Operator I position is needed for adding a sixth residential trash collection route, assisting the supervisors to cover absences and street sweeping routes. As a result of a new position, a 50 % increase in City streets being swept is anticipated, increasing street sweeping miles from 4,000 to 6,000.
- Plant Maintenance Supervisor – Water Treatment Plant – This position will be filled in-house and the vacant position that is created will not be filled at this time. While these staffing changes are expected to add roughly \$54,000 in expense, approximately \$23,000 in savings will be realized from a reduction in overtime and increased in-house maintenance.
- Water Treatment Plant Operator – Water Treatment Plant – The WTP is a 24/7 operation with a staff that consists of five full-time operators (one operator works in maintenance full-time), one Lead Operator, two Plant Mechanic's, one Instrumentation and Control Technician, one Custodial Maintenance Worker, one part-time

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Administrative Assistant, and the WTP Manager. Currently, the lead operator and plant mechanics cover the operator shift when plant operators are out on vacation or call in sick. This reduces the amount of time that plant mechanics can focus on preventative and corrective maintenance causing a backlog of maintenance tasks that need to be completed. The additional operator will also enable the lead operator to be more efficient in their position and will ensure that he is available at the plant Monday through Friday rather than on a random schedule caused by shift coverage.

In all, the FY 23 budget brings on an additional three full-time positions borne by the general fund that are being requested in response to areas where the respective service is currently falling behind.<sup>xxiii</sup> Nine other positions, if approved as presented, will be brought on independent of any contributions from the general fund, and funded with independent funding streams. As an example, the weed and pest function within the City of Casper is funded entirely by funds granted by the County's weed and pest district dollars to the City, including the new position being requested in this fund, which require no funds from the general fund. As another series of examples, the positions requested through the balefill operation are based upon the premise that the services provided by the new positions all open up other business opportunities not previously available to the fund thereby creating dollars that will likely exceed the funds needed for the position in question. The non-GF funds will incorporate a \$655K expense, if the budget is adopted as presented.<sup>xxiv</sup>

The remainder of the positions being proposed are a result of the repurpose, and reuse of existing positions calibrated to meet with the current, timely demands placed upon the organization. While the overall request represents approximately \$230K in financial impact to the general fund, staff would contend that this proposal represents a very efficient means of working with what we have in order to respond to the needs of the day given the vast majority of these changes being brought forward through opportunities with existing positions that have are being used in a different, more dynamic way.

Despite what has been very creative and forward-thinking efforts on the part of the Police Department over the last few years, getting up to full authorized levels of sworn staff has been an elusive goal. Indeed, the pandemic did prove quite useful in obtaining quality lateral hires over the last couple years that the department potentially would not have been a competitive option previously. Unlike in years past, the department will have full funding intact as though they are employing all 108 officers the first day of the fiscal year even though that staffing gap is anticipated to be four positions needed to start the fiscal year. Accordingly, the prospects for full staffing in FY 23 are quite strong which will be an accomplishment not realized in recent memory.

New positions are not the last of the financial implications relating to the City's human resources with what the budget proposes over the next year. Council has expressed support for doing something for our employees given the significant increases in costs being experienced locally. Council is also aware and seems supportive of the need to stay on a path that keeps our employees moving through the respective wage bands as well on a consistent basis. In that

respect and with the provisional feedback provided by Council in a recent work session in mind, the budget is designed around two larger employee proposals:

- COLA – Starting on July 1, it is proposed that all full-time employees would receive a 3.5% increase in an effort to reconcile the higher costs of living locally.<sup>xxv</sup> Recognizing that this proposed rate does not equate to the inflation rates in Natrona County currently, staff would like the chance to visit with Council again toward the end of the calendar year to consider granting an additional 3.5% for all employees starting January 1, 2023. This second phase of a potential COLA increase is not currently included in the FY 23 budget proposal. Consequently, staff would suggest that an added \$425K above the budgeted sales tax receipts is a reasonable benchmark to watch for as to the feasibility of such an increase for every full-time employee (second half, FY 23). Without that type of revenue growth through the end of the calendar year, it is doubtful that this second COLA increase could occur as early as January 1.<sup>xxvi</sup>
- Step increases – For most employees who are eligible for a step increase as of the start of FY 23, this would mean a 5% movement through the respective wage band which would take place on July 1. However, 71 employees in the organization (non-union) are already at the top of their respective wage band and would not have the chance to receive this full increase over and above the COLA being proposed.<sup>xxvii</sup> Another caveat for Council to be aware of, for the employees of the Police and Fire Departments, these employees will receive their step raises on their respective anniversary hire dates throughout FY 23, while the other eligible employees in the rest of the organization will receive their step increases on July 1.<sup>xxviii</sup> With regard to all of the nuances discussed in this section, the proposed FY 23 budget accommodates the costs to provide this type of raise with respect to each eligible employee's particular circumstance.

While these proposals are currently a feature of the budget document being deliberated, Council certainly retains the authority to adjust any of the aforementioned salary proposals in whatever direction they prefer. The cost to provide the suggested increases is \$1.1M for the general fund and just under \$800K for the enterprises.

One of the more unique features of the FY 23 budget proposal is with regard to Fire department employee parity. In terms of understanding the concern, it helps to envision the department in two distinct parts. One part is made up primarily of the investigator/prevention side where these employees are generally 40-hour/week (days) employees. The other part would be the more traditional firefighter side that works 48-hour shifts and are recognized as being considered line or shift employees, so to speak. The disparity, for lack of a better way to describe it, exists where employees from either side have similar titles or job descriptions but are paid different base wages. Shift employees contend that the days employees are actually paid higher base wages while the days employees don't generally have as much earning opportunity with the amount of overtime possibilities afforded them (compared to line employees). The solution that the FY 23 budget supports is that of raising the wages on the shift side so that they more closely resemble what their counterparts on the days side makes from a base-wage standpoint. The cost to achieve that parity and raise the corresponding wages is \$200K and equates to a 2.8% increase, on average, for the shift employees.

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The Fire Department also happens to be the first employee group where an additional mental health benefit is being rolled out for FY 23. Over the last year, a number of peer groups were established in the public safety departments to establish an additional safety net for those who may be encountering trauma, emotional distress, or other struggles potentially unique to public safety service. What is being encountered however, is that for public safety employees, the efficacy of mental health counseling by providers who may not have any background with services rendered to public safety kinds of employees is uncertain.

The hopeful solution being tendered would be that of offering a reimbursement to a certain monetary limit that allows for a fire employee to seek counseling from those with an emphasis for caring for public safety practitioners. If the employee does not use the benefit in a given fiscal year, that balance vanishes and does not roll over. If indeed this benefit proves to have some value, there may be applicability in other areas of the organization. Other employees in the organization already have access to mental health services through the EFAP program and through another vendor for 1000 hours to the organization each year for no cost to the participating employee.<sup>xxix</sup>

For FY 23, the budget anticipates the continuance of a reduction in overall premium costs by the 6% incurred in January of 2022. While that value represents a favorable benefit of \$232K, the more beneficial news is that no rate increases are anticipated for the whole of FY 23. This is a welcome change in that the City's experience has certainly been that increases can occur as a feature of the legislative session without any warning or opportunity to prepare or respond budgetarily. The opportunity to participate in the State's insurance pool for the employees of the City costs the City as the employer just over \$8.3M annually. It would appear that the move to be included in the State's insurance pool has been good for the employees of the City of Casper.

### *Capital*

Much of the Council's time has already been dedicated to planning the capital agenda for FY 23. Given that the proposal is that of a \$41 M spend, taking time early on and throughout the budget process on this topic is absolutely warranted. Council should remember and take comfort in knowing that the proposal is largely a cash-on-hand discussion. This means that the projects being proposed are on the list because they are of the highest priority from Staff perspective and the dollars needed for the project are already in the coffers of the City and available to spend. When differences are noted from year to year as to what appears to be budgetary growth, generally speaking, the culprit for that disparity is typically tied to the amount of capital being proposed.<sup>xxx</sup> Consequently, if Council wanted to save money by not doing projects to bring the year-over-year overall numbers closer together, reducing capital is typically what will provide the most results that on the surface would appear to fix the "problem." That action however, would really only have the effect of keeping the corresponding money in the balances of the respective fund because those dollars have already been raised, collected, and accrued.

Another important aspect of an ambitious capital agenda, is that of finding outside dollars to leverage projects being done locally. This is particularly important when indeed enough dollars generated locally can't be extended enough to meet the variety of capital needs. Certainly, for the

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FY 23 proposal, grant dollars are being proposed to try and leverage what the City can accomplish for projects that are possibly applicable. It is important to note however, if indeed those dollars are not raised from donors, granting agencies, or other fund-raising efforts, the corresponding project will not move forward for subsequent work and completion. The effort to bring additional dollars to the table for projects needed in Casper is ambitious; it is anticipated that \$7.6M will be needed in grants. This does not include the \$3.9M in grants that the City already has on hand or committed from another agency or partner to be used in FY 23.

The largest grant supported project being proposed by Staff is with regard to activities of river restoration being potentially started in FY 23. River revitalization in Casper is a significant and important infrastructure investment in improving water quality and preventing water pollution, developing Casper's economy, rebalancing native riparian habitat, mitigating flooding and erosion hazards, increasing recreational opportunities, which combined improves quality of life for Casper's citizens – an effort underway since 2006. The FY23 budgeted projects include ongoing monitoring required by the Wyoming Department of Environmental Quality and U.S. Army Corps of Engineers for the First Street reach construction completed in 2020; a boat ramp re-build near Bryan Stock Trail, a riparian vegetation survey and soil sampling study to identify needed amendments and enhancements to improve riparian area vegetation success and sustainability; construction of the second phase of the First Street riverfront gateway park; and survey and design work for river restoration construction on a subsequent reach of the river. Should the next reach be able to be started in FY 23, \$4-5M in grants will have been obtained for this purpose.

As to some other, more significant grant funded projects already awarded included in the proposed budget:

- Wolf Creek Road Improvements: CY Avenue to 40<sup>th</sup> Street, is expected to cost \$1,000,000 and includes street rehabilitation and sidewalk construction. \$769K of this funding was provided by the County a number of years ago and had not been used until now.
- Midwest Avenue/final phase: The third and final phase of work to reconstruct Midwest Avenue through to Poplar (near the new State building) will commence thanks to the Urban Systems grant program supported by our MPO partners (\$2M).
- Ford Wyoming Center Improvements: OVG agreed to fund \$350K worth of improvements to the FWC including, ADA ramp on east side entrance, new volleyball court (with the School District), and a north corner remodel. Improvements are made should the contract amendment pass with Council.
- Transit Security Fence and Lighting: FTA has agreed to fund the replacement and improvement of said fencing and security lighting at the transit center for just over \$300K to secure the bus parking.

1% #16

As for the largest segment of capital supported by the FY 23 budget, 1% is a chief source for projects. In this regard, the City collected \$15.4M, cash on hand in one cent dollars, to spend primarily on non-utility projects. As for some of the more significant projects the FY 23-1% budget accounts for:

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- Ford Wyoming Center south walkway replacement: A concrete deck runs along the south side of the Ford Wyoming Center. The deck provides access to the entrance for the facility's administrative offices as well as emergency exits for the concourse level. The deck runs above offices and banquet rooms within the facility. The concrete slab has been repaired numerous times on a seasonal basis, but is deteriorating beyond repair. Damage creates tripping hazards along the walkway as well as leaks into the interior spaces below. The project will replace the concrete slab and underlying insulation layer. Replacing this decking will result in lower maintenance and repair costs due to leaks and water damage. \$736K
- Westridge Addition Improvements: expected to cost \$1,000,000, includes water, sewer, street and sidewalk rehabilitation for Westridge Circle, Westridge Terrace, and Westridge Drive.
- Coffman Street Improvements: Sky Ridge to 25<sup>th</sup> St., is expected to cost \$1,100,000 and consists of water, sewer, street, and sidewalk rehabilitation.
- Police Fleet: Sixteen marked units at \$1.2M; Four unmarked units at \$167K
- Oak Street Improvements: CY to 14th includes some storm sewer replacement with this full reconstruction. \$900K

Council will want to keep a close eye as to the development of the dialogue for a renewal of 1% for another four years goes over the next several months. Council is certainly aware that without 1% continuing, no less than \$60M will be unavailable for capital investments in not only streets, but also public safety vehicles and equipment, pools, water and sewer line investment and important investments in the social/community service infrastructure as well. As it works out, the sitting Council will have the important role of laying out the agenda as to how 1% will be spent over the next four years. The resulting direction will be captured in a resolution settled upon in the early part of FY 23. This discussion is generally one of the more critical assignments the Council of the day will have as it relates to facilitating key public investments.

As was previously alluded to, the Council has been very careful with regard to how the windfall of Federal dollars over the last two years would be spent. As a result of that caution, were able to use just the ARPA dollars for the purchase of the Casper Business Center to primarily be used for Police operations. For FY 23, there will be no dollars requested of Council from the CARES fund.

### *Subsidies*

Every year, much discussion takes place in regards to the level of subsidy the general fund should be providing to the facilities and programs relating to the City's leisure or recreational services. Typically, the need for these added dollars, which is slated to be in excess of \$2.0M, mostly provided by the general fund, is because the amount of revenues these areas collect do not meet the amount of expenses needed to provide the respective services. While the Council should be pleased with the new approach of looking at these operations in a much more business plan approach, the reality of fully eliminating a need for subsidy does not comport with the reality of what the rest of the public recreation industry experiences. Regardless, Staff will keep

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pushing for lower subsidies where possible and the means by which those subsidies are supported that would hopefully include resources outside of the general fund.

One of the largest subsidies is provided for the operations of the Ford Wyoming Center (FWC). The contractual subsidy benchmark of the \$994,919 is the default guarantee the City has with OVG (formerly Spectra Venue Management.) As of the beginning of FY 23, a new contract will be in place and the relationship with OVG will continue for another ten years.<sup>xxxii</sup> Although the contract requires this subsidy figure for planning purposes, the actual subsidy required could be much less year to year depending upon the success of the respective year's events and marketing strategies.

The Ford Wyoming Center subsidy, referred to as the Net Operating Loss (NOL), is expected to improve further in FY23.<sup>xxxiii</sup> Since taking over management of the facility in 2016, OVG has achieved an average reduction in the NOL of approximately \$65,000 per year. This is despite increasing costs for operations that include higher performance guarantees and increasing personnel costs, food and beverage supply costs, utilities, and more. In FY23, the target NOL is \$900,000, which is a reduction of just under \$95,000 from the benchmark. In comparison to the increasing costs on the side of the increased insurance costs for FY 23 of \$52K to cover the FWC, the net gain to the City however is more along the lines of just under \$20K.

The success in the event center's subsidy reduction is driven largely by sponsorships and naming rights revenue. Long-term corporate partnerships provide a reliable revenue base that insulates the facility from the volatility that comes with too much reliance on touring events. Touring events, however, continue to be the mainstay of the facility and a significant contributor to Casper's local economy. The Ford Wyoming Center strives for 200 event days per year that will bring 200,000 people through the facility.

The annual operating budget for the FWC includes 10-12 concerts and 5-8 special events such as Broadway shows, children's productions, and comedian acts. OVG also budgets for 20-25 convention-style meetings per year. Staple events that are hosted each year such as Wyoming high school state competitions as well as College National Finals Rodeo (CNFR) are among the budgeted events for FY23. When budgeted events exceed the estimated revenue through strong ticket and ancillary sales or when the facility is able to host additional successful events that were not budgeted, the Net Operating Loss for the building is reduced, which directly benefits the City's General Fund. However, when events are cancelled for any reason, when performances do not meet anticipated ticket sale levels, or when food, beverage, and merchandise sales are weaker than predicted, the NOL for the building goes up, increasing the burden on the General Fund.

In order to try and help the general fund for FY 23, the budget is designed to utilize the interest income from the perpetual care fund to offset the required subsidies for many of the general fund-dependent, recreation-based funds.<sup>xxxiii</sup> Staff anticipates that the projected interest income will come in just over \$272K, which was applied in the following manner:

- \$41,124 Ice Arena toward operations
- \$131,496 Rec Center toward operations
- \$63,192 Hogadon toward operations

- \$36,736 Aquatics

Each of these contributions do reduce the amount of operational dollars the general fund would otherwise have to provide if this interest income were not used to offset these subsidy amounts since the amount of revenue in each operation is inadequate to cover its costs. The down side for this approach is that any capital needs these dollars would have otherwise been used for will need to be deferred for later years or utilize resources elsewhere for priority projects in keeping with how these dollars have been used in the past.<sup>xxxiv</sup> However, if the fund does net an income stream greater than the \$272K being projected for this year, those dollars will be able to be applied to maintenance and repairs on a cash-on-hand basis for FY 23 for buildings that were built by 1% dollars, as would be identified by the Council. The policy direction given by the City Council for officially establishing this practice by formal policy adoption in FY 22 will provide relief to the general fund for years and years to come, particularly if the corpus can remain inviolate.<sup>xxxv</sup>

As a reminder, the perpetual care fund is the epicenter example of the benefit that could be produced should the aforementioned constitutional amendment pass in November of this year. This upcoming fiscal year could then be the year that these dollars in particular would be recommended for long-term set aside, with pooled funds the State manages, in order to ramp up the interest income invested in the recreation enterprises being discussed here. The greater the income value generated from funds like the perpetual care fund, the greater the availability of general fund dollars to support the growing operational needs therein.

Despite the interest income being used to offset the Casper Recreation Center's needs from the general fund, there will certainly still be a need to garner dollars in the form of an added subsidy. The second largest subsidy the City contends with is for the Casper Recreation Center. The subsidy for FY 23 is expected to be at \$633K. Some of the evaluation and subsequent recommendations Council can expect to receive over the next year is to what degree the costs associated with this fund are due to programming that may be a loss leader and therefore better left out in upcoming years.

Undoubtedly, a significant recommendation is due to the Council soon with respect to the needs the Rec Center has from a physical plant standpoint given its age. Hopefully, those recommendations can be considered against the backdrop of value-added modifications that not only help to add useful life to the building itself but also create revenue opportunities as well.<sup>xxxvi</sup>

Aquatics has a fairly high combined subsidy as well. The difference with the subsidy given to this function is that a large portion of the subsidy comes directly out of 1% dollars. This has been a practice supported by the voters for quite some time.<sup>xxxvii</sup> The FY 23 budget does assume that \$375K will be drawn from 1%. However, there is still a \$176K subsidy from the general fund required to make up the true cost of providing low cost and in some cases, free swimming to the public. This subsidy will look higher than in recent years given the program's need to be curtailed for most all of 2020 and even into 2021.

Hogadon is another service that indeed has a sizeable need for offset by the general fund. FY 23 will require a \$304K infusion from the general fund. This does not include dollars needed to



offset the newly opened night skiing offering that deployed for the first time in FY 22. Council will be pleased to know that the service did not account for any added expense during its inaugural year. In fact, the \$60K/yr. that was set aside with the funding partners intended to eliminate the City's loss exposure for this program did not need to be drawn upon at all. Furthermore, the activity that OVG oversees relating to the year-round use of the lodge was such that OVG is expecting to turn a sizeable profit over to the City for the first time in recent memory.<sup>xxxviii</sup> With the reduced fee structure the new agreement with OVG brings into place, the possibility of those profits for the City should prove to keep downward pressure on the subsidy for this fund over the next year and beyond. Hopefully, these new features portend to a practice, given the right snow conditions, that bodes well for Hogadon's eventual self-sustaining existence well into the future.

The Ice Arena will need some \$198K to break even in FY 23 as well. The Ice Arena too will be a discussion in the new fiscal year that an upcoming report will benefit. There have been a few presentations by the user groups that frequent the ice arena whose position is that by considering an expansion to the existing facility, not only will the availability of ice time improve for the users, but that indeed the subsidy will potentially go away for the City. (Theoretically, the more ice that is available to sell, the less the City has to provide by way of out-of-pocket support, thereby performing more like the enterprise operation it is intended to be.)<sup>xxxix</sup> That critical question could potentially be addressed early in the new fiscal year against the backdrop of a potential fund-raising effort to support a building project.

The Golf fund is not a fund that typically needs an infusion of cash for it to balance. In fact, depending on the season, golf can actually provide resources back to its reserve requirement or indeed give money back to the general fund.<sup>xl</sup> For FY 23, it is anticipated that the fund will break even.

As a means of trying to secure the benefit of not needing a subsidy over time, Staff is proposing a rather unique approach within its operation with respect to how the cart fleet is managed. The request to the Council is that of taking a one-time allocation from the opportunity fund and using that to buy a replacement fleet of golf carts in one transaction. The \$400K needed for this application will be spent on a one-time, singular expense basis in that the cost to replace the fleet will be deducted from the proceeds this program provides the golf course over the useful life of the cart fleet (6-8 years.) At the conclusion of the fleet's useful life, the dollars that had been set aside over time will be used to refresh the fleet and start the revolving fund over again as the new fleet starts its service on the course. With this plan, an infusion of cash from another fund will not have to be used to invest in to the golf course fund for this purpose again. This effort coupled with the proposed purchase of a golf ball dispenser at the driving range will allow for some revenue earning opportunities combined with other costs savings that hopefully will contribute to the golf course perpetuating a profit generating track.

Without a doubt the opportunity to further support the services being discussed here with a more prolific investment strategy will be aided over the next year in two ways potentially. First of all, the newly inducted Investment Advisory Committee is already providing direction with regard to how the City manages investments so that the enviable position of saving costs while earning

## CITY OF CASPER, WYOMING

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more money may truly be realized over the next fiscal year. Council was helpful to further support their recommendations by adopting policies that support this new approach from now on.

Some of the direction this committee has centered around is that of better positioning the City and its investments in such a way that the increasing rates being incurred now equates to increasing interest income for the City particularly for those dollars that the City doesn't need to be as liquid as others. A part of that strategy that has been undertaken thus far include consolidating funds into one account so that our new investment advisor has more of the flexibility necessary to move funds into the range of terms available to maximize income. Furthermore, the right reporting now being required can help the City team in concert with the investment committee to see how the performance is measuring up against appropriate benchmarks to be sure the strategies are deploying correctly. In that regard, Council has also authorized the utilization of WyoStar II for the higher yields it too can provide which has not been something the City has done previously. The combined value of the new investment advisor with the Investment advisory committee should be able to generate direction and strategy that has not been available for the City previously.

With these strategies in mind, investments for FY22 are projected to produce \$1,500,466 of income (under budget by 17.15%). The FY23 budget is a 16.83% increase over the projected ending balance for FY22 to amount to almost \$1.75M. These strategies will be elevated significantly should the right direction by the voters of the State happen later this year. This funding is calculated with the entire pool of investments the City has the stewardship over.

The second means by which more interest income dollars could be realized is if the constitutional amendment gets passed in November of 2022. Should this passage occur and the sitting Council of the day views the new approach as prudent, the City of Casper should then be able to join with the State in following and being included in their investment guidance and procedures on a more long-term basis. The result could be a more prolific means of generating interest income that would then be contributed to offsetting the aforementioned balances more deeply thereby giving the general fund more relief in the form of operational dollars that would otherwise be needed as subsidies. This voter question will be very interesting to watch over the next several months.

As the City Council is well aware, moving transit operations in-house occurred exactly one year ago. While the move was indeed draped in controversy, the transition has worked and riders are being served more than before. In fact, for the Assist service (door to door), ridership has increased by approximately 30 rides a day. With the Assist service alone, there is an average of 750 rides per week for needs which range from rides to doctor appointments, to work obligations, as well as for folks who need to go to the store.

The City is also happy to report that for the transition, the City was able to hire most of the employees who previously worked for CATC (32 employees.) In the meantime, the City has brought on new dispatching software and the implementation of on-board tablets for the drivers. Branding has also been a priority for the new service. The 22 buses have all been wrapped and the website and marketing materials have all been refreshed in order to establish a seemingly new service presence and energy in the community. In keeping with that new service

## CITY OF CASPER, WYOMING

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perspective, new routes are being developed to accommodate the new State offices, the Mission as well as the new VA Hospital later this year. A new paratransit service proposal is being approved by FTA. The Municipal Court has also been working with Transit in order to provide needed services to both the drivers and the riders in the form of folks being made available to clear bus stops of snow which has been a high priority of the Council as well. The 2021 Transit Development Plan has also made some recommendations for improved services to include both the creation of a Social Service Transit Advisory Committee and a dedicated effort to participate on the City's Disability Council. If anything, this transition has ushered in a number of helpful changes designed to respond to the growing needs of public transit in the community.

Throughout the time this service has been rendered, subsidies have been required of the City of Casper. The match Casper provides however serves as an effective lynch pin to the amount of dollars made available through our funding partners. Specifically, over the last two years, the City has not had to provide the \$365K/yr. in match-1% funding (for operations) thanks to the availability of CARES funds for this purpose.<sup>xli</sup> This level of support is expected to be limited and unavailable as early as next fiscal year.

In comparison, FTA provides the City just over \$1.9M for FY 23 and WYDOT will provide \$300K in grant funding as well.<sup>xlii</sup> Monies that are collected in fares are forwarded back to the City and will number somewhere between \$70-90K annually.

The share the City proposes to provide through One Cent #16 is \$458K, FY 23. This is inclusive of both the \$185K local capital match for vehicles as well as some funding for the match required for the capital portion of the proposal, which includes:

- Two bus purchases -- \$224K
- Transit employee parking lot -- \$232K
- New Bus stop Shelters -- \$40K
- Security Fencing and Lighting – 308K

It is anticipated that both fleet services will provide over 80K round-trip rides in the larger Casper area throughout the next year.<sup>xliii</sup> With these kinds of numbers for the relatively small investment needed locally, it is clear that this service is demonstrating a purposeful, long-term use in our community. It is anticipated that throughout FY 23 as gas prices continue to surge, the services available through Link and Assist will become much more in demand.

### **Reserves**

The reserves are an important feature of any well-planned and well-managed City organization, particularly for Wyoming communities where they are forced to rely on funding that is not controlled locally and is very frequently volatile. The reserves are generally monies held in place by some sort of policy and management directive. Council has taken the strategic approach of allowing some of the full value of the water, sewer, and balefill fund equities<sup>xliiv</sup> to absorb specific expenses in order to preserve the integrity of the respective reserves, develop project savings over time and come in line with an optimal operating condition (as discussed earlier)

which all has the benefit of avoiding rate raises in very large increments. Council has done well to allow for certain reserves to be bolstered recently as well as allowed for others to be created even if time is needed to meet the goals of the respective fund reserve.

Perpetual Care, as an example, does have a solid balance still available to support the intentions of the fund, and has been strengthened with the recent Council decision to require \$30.6M as the corpus to support operations and maintenance for 1% buildings. Perpetual Care is currently sitting at the goal amount and is also slated to receive dollars over and above this corpus by fiscal year end. Those dollars are being collected back to the fund by virtue of the repayment of the loans that were paid both to the Casper Housing Authority and the Regional Water System.<sup>xlv</sup> For FY 23, the receivables due to the fund are approximately \$800K. Staff does not have a recommendation for the dollars that are due to this fund. As those funds are received, they would then be considered cash on hand, over and above what is required by policy, for use which historically has been for capital projects and other one-time needs.

As a point of interest, Council pointed to this fund last year as one that is eligible to be used for loans to quasi-government entities for projects of high public need. No other funds have this designation.

The general fund has a reserve set aside for its operations. Council directed that this reserve requirement be equivalent to the operations of 120 days.<sup>xlvi</sup> For the beginning of FY 23, that requirement translates to \$15.4M on hand. Unlike in recent years, staff is not asking for a commitment from these dollars in order to balance the general fund (even though it turns out that those dollars were never actually needed to cover costs in the general fund.) Staff is proposing that this fund be left alone for FY 23.

Staff believes that the obligations of the original \$13.1M given to the City through CARES throughout 2020 have been met. Staff made representations to the State regarding that allocation concerning projects, relevant equipment, and extra services purchased that were completed and done so on time (before year end - \$849K). One significant piece of this funding the City received through this program was done so on the basis of reimbursing the City for public safety staff and their time dedicated to dealing with COVID issues throughout the last three quarters of 2020. That reimbursement amounted to \$11.5M. Staff believes that these dollars are indeed unencumbered and may not have the legislative character that the rest of the CARES dollars were created under given this reimbursement status. With this understanding, staff is proposing that the balance of these dollars be held in its Council-created fund, and being left alone over the next year, thereby treating this fund somewhat like a reserve.

The reason staff would like to leave the dollars alone for the next year may not be what Council would like to do forever, but it would certainly help in the near term to generate some needed interest income. The current balance of \$12.2M remaining in the fund is large enough that were it held on to for at least another year, would generate some useful interest income in the neighborhood of \$100K+. Staff proposes that those interest dollars be put into the operations of the general fund as an operational income in order to offset a subset of operational costs incurred in the general fund. This would be a new revenue stream that probably has limited appeal to Council as a long-term solution given what those dollars may be needed for in the future. Given

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that the ARPA dollars the City received have been used for the purchase of the Casper Business Center, the balance in this corresponding fund has been reduced by \$8M recently. As for some other needs this fund furnished, they include; the regulators for the fire fighters, funds to promote the FWC 40<sup>th</sup> anniversary, Proud to host the best contract, Courtroom security upgrades, and \$800K in employee payments which is one of the largest expenses covered by this fund since its creation.<sup>xlvi</sup>

Several years ago, Council was wise to set aside the unencumbered 1%#14 dollars in a fund entitled the Opportunity Fund. Since that time, Council has been very careful how that fund is used and accordingly, that balance has been slow to diminish. If Council approves the FY 23 capital budget, that balance is proposed to be left at \$5.5M. With the adoption of the FY 23 budget, Council will be using \$400K to facilitate the one-time purchase of a new golf cart fleet as discussed earlier; \$610K to purchase the central irrigation controls which will have huge operational benefit toward the Council initiative dealing with parks maintenance costs, once installed; \$100K to for fitness studio improvements at the Rec; and \$75K for D street improvements. Each of these purchases are strategic and aimed at creating operational savings and/or development opportunities that otherwise would not be afforded. Given these dynamics, it would appear these proposals are in line with the spirit of what the opportunity fund was initially organized around.

### *Cash Balances*

Cash balances on the other hand are monies that have accrued and have the appearance of being more like left over cash, primarily in the general fund family of accounts. Those balances have had some informal oversight and directive over the years; the fluctuating volume of which has leveraged recent capital and other programs quite effectively.<sup>xlvi</sup>

Because of the availability of these kinds of funds recently, Council wisely set aside dollars into a sinking fund that enables the City to keep up with its obligation to the State to support their hemorrhaging Fire Fund A. This pool of funding will generate some \$7.2M over the next 20 years with just under \$5M as an initial, one-time investment.<sup>xli</sup> Assuming a moderate rate of return being averaged over this period of time, a savings of roughly \$2.2M over time means not only less money being needed for this purpose initially (which is nearly a third of the required total), but also no stress on the operations of the general fund to otherwise provide for the annual \$370K payment for the next 20 years. This is also yet another example of Council finding ways to leverage static dollars and having those dollars work passively for the taxpayer. Staff would certainly recommend this fund being set aside on a long-term basis with the State's investments should the constitutional amendment be approved by the voters in November. Undoubtedly, the quicker these funds generate the required sum, the less exposure the City incurs for this obligation and the less the obligation actually costs the taxpayer.

The largest example of a declining volume of residual dollars would be best viewed in the Fund 150 program. Fund 150 exists primarily for the facilitation of capital projects. Therefore, the funds that have collected there over the years have really been the result of an accumulation of savings from projects. The dollars that have been residual in this fund have been used to do a

number of projects which includes \$1.5M in projects slated for FY 23. Three years ago, the predecessor fund 30 held an unencumbered balance of \$9M; by the end of FY 23, the remaining balance of \$2.9M will be available for projects in FY 24 and in keeping with Council's cash on hand approach to planning for capital needs.

If these balances continue to shrink without some replacement funding, the ability to do the volume of projects and supplement 1% limitations shrinks as well. Should Council decide to reengage the idea of isolating direct distribution dollars out of the operations of the general fund, the reliance upon temporary, residual cash balances becomes less important and Council can pursue projects not only afforded by the 1% program, which also means being able to consider needs not included in the directives of 1% surveys.<sup>1</sup>

## **Conclusion**

FY 22 is coming to an end having come in to its original projections with the slimmest of margins and room for error. Particularly for the general fund, with a less than a 2% margin as of the writing of this message, there isn't a lot of room for robust revenue projections.<sup>li</sup> (With the waning of the series of Federal dollars coming into the City to where those programs are now largely ended, the challenge will be to see what level of spending activity will continue into the next year.) The FY 23 budget is decidedly conservative with the balance of those one-time dollars received by the City. Certainly, spending from a contracts perspective for public works projects will undoubtedly continue in earnest over the next year, particularly given the current expectation that the ARPA dollars need to be spent by 2024, despite the fact that the number of projects in the queue may need to decrease to reconcile for the increasing cost of goods and materials needed to complete these projects. The projects being proposed are of the highest priority and in some cases create leverage opportunities. Hopefully, Council views the attached budget as a reasonable means to counterbalance the dwindling purchasing power all the capital dollars now contain and in the absence of demonstrated revenue growth.

Another theme Council will find in this budget comes from that of utilizing mandated reserves much more pragmatically so that they too can be extended in their benefit for the citizens of Casper. Undoubtedly, that strength will be magnified should other tools be made available through the amendment to the Wyoming Constitution being considered in November, particularly prudent during sustained periods of inflation. Efforts to further consider grants as another pivotal means of leveraging benefits and projects needs to continue well into the future much beyond what this budget ambitiously proposes.

The advent of FY 24 will have to be the year Council takes a significantly different course should the renewal of the optional 1% not come to pass in November. By that point, most of all of the dollars collected on hand to do capital work will have diminished to the extent that a modicum of capital would be covered for that year only. The defeat of this \$60M proposal would mean that capital projects related to pipes and pavement replacement would need to be curtailed moving forward, programs related to the support of aquatics and transit access would need to change, and equipment needs for police and fire would be largely unmet. Unless Council

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would then decide to deconstruct the policy-supported reserves to supply for these needs, very few options would exist to otherwise consider.

Additionally, Council will have a few things to keep an eye on that certainly could disrupt the good intentions this budget attempts to accomplish, such as, being mindful of added inflation and potential recessionary pressures, resisting program development or proposals that don't enhance and at the very least support, cost recovery goals, and considering the possibilities for a new enterprise.

Staff believes that Council is demonstrating that smart policies are afoot and the right investments strategies are happening in line with what the community is demanding with the passage of this decidedly conservative FY 23 budget. Casper seems to have many things going in the right direction to point as to more reason to be optimistic for Casper's future than not!

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<sup>i</sup> This figure does not account for the funds held in trust with regards to the funds the City holds for the Central Wyoming Regional Water System.

<sup>ii</sup> At the beginning of the current fiscal year, WTI crude was priced at \$75.23/barrel. Currently, it is priced at \$103.09/barrel and has been above \$100/ barrel since March 1, 2022.

<sup>iii</sup> In July of last year, nine rigs were in operation in Wyoming. As of the writing of this message, 15 are in operation.

<sup>iv</sup> Council's goals have been oriented in this regard as well. Looking forward with the idea that the City's fortunes are not their own to manage is a huge vulnerability that this Council seems unwilling to tolerate.

<sup>v</sup> As of the writing of this message, inflation in Natrona County is 7.4% (CPI) and nationally at 7%. Some parts of the state are upwards of above 10%. *Inflation: Highest Cost of Living in 40 Years*, Cowboy State Daily, Jim Angell, April 19, 2022.

<sup>vi</sup> In 2020 the City was awarded \$13M in CARES funds. In 2021, the City was awarded \$4.5M through ARPA with the caveat that a second identical payment would be awarded in spring of 2022. ARPA dollars have the requirement to be spent by 2024.

<sup>vii</sup> Council has supported this idea given the value they have historically placed on living within the means afforded on a plannable, long-term basis instead of a year-to-year construct that using one-time dollars would evoke.

<sup>viii</sup> \$595,500 is being proposed to be spent on Fire equipment, \$246K for the City's match for Midwest Avenue reconstruction, and \$350K is being proposed for PD overtime.

<sup>ix</sup> Like it is for most Wyoming municipalities.

<sup>x</sup> For a number of years now, \$105M have been dedicated to the direct distribution program. The Legislature also adopted the Madden/Bebout formula as a means of distributing these dollars to the cities/towns and counties that is now the standard by which Casper receives its share of these dollar annually. The allocation for the FY 23 budget actually represents a 21% increase thanks to favorable population figures and a potentially one-time infusion of just over \$100K.

<sup>xi</sup> Sales and Use tax revenues represent 40% of the general fund income needed for most of the operations provided in the organization.

<sup>xii</sup> Bureau of Labor Statistics, March 2022.

<sup>xiii</sup> Building project valuations came it at \$70M for 2020 as a point of reference.

<sup>xiv</sup> Based upon submissions, representations, and materials presented to the city thus far.

<sup>xv</sup> Full four years of 1% not being in place at the current rate of infusion.

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- <sup>xvi</sup> Meaning, should the purchasing patterns occur consistent with most summers by our citizens and corporate neighbors couple with the surviving projects, the fund will incur a drop in overall equity by \$1.4M by end of FY 23.
- <sup>xvii</sup> The note is actually held in the regional wastewater plant fund of which Casper is an 84% customer. Therefore, this cost is our share of the debt service burden and is accounted for in the rate model.
- <sup>xviii</sup> Council will recall that \$500K is invested in the capital program through 1% monies.
- <sup>xix</sup> As Council probably recalls, this was one year earlier than originally anticipated.
- <sup>xx</sup> Even with the \$1 increase that occurred in November, the tipping fees are still below the very low end of the range of the national averages.
- <sup>xxi</sup> The sanitation funds do not receive any 1% dollars.
- <sup>xxii</sup> As of the point in time this message is crafted. Furthermore, the City employs 203 non- full-time employees.
- <sup>xxiii</sup> One position being requested is shared with the PSCC on a 75/25 (\$69K/\$23K) split.
- <sup>xxiv</sup> \$302K of which is tied to the enterprise funds and proposed in the current rate model.
- <sup>xxv</sup> The last COLA that was given to employees was four years ago at a rate of no more than 2%.
- <sup>xxvi</sup> As a point of reference, for the current fiscal year, the sales tax surplus that was garnered was closer to \$220K thereby enabling some step increases for employees who had gone without a raise for some time.
- <sup>xxvii</sup> Some employees included in this 71-person figure will actually get less than a 3.5% increase annually even though they are categorized as not getting a “step” increase.
- <sup>xxviii</sup> This condition exists for two reasons, one, the Fire Department is not on the Graves plan which utilizes a focal standard, and two, the Police Department requested the anniversary approach as it is a more readily accepted, preferred industry standard (both non-sworn and administration not included).
- <sup>xxix</sup> The cost to provide this benefit is a not to exceed figure of \$70K each year.
- <sup>xxx</sup> Which also means that operational differences are much less the reason budgets are higher.
- <sup>xxxi</sup> The renewal terms of the Management Agreement for the Ford Wyoming Center are largely unchanged. However, a significant addition is a \$350,000 capital investment by OVG that will be provided to the City on July 1, 2022. This investment will be amortized on a straight-line basis over the ten-year term of the agreement. If the agreement is terminated earlier, the City will be required to repay the unamortized portion of the capital investment. OVG and the City have agreed on the projects that the funding will be used for, which have been entered into the capital budget for FY23.
- <sup>xxxii</sup> The NOL benchmark for the facility is \$994,919, which was the average loss from the last three years the facility was operated by the City of Casper.
- <sup>xxxiii</sup> This is a practice that has only been used over the last few years to offset the use of general fund operational dollars.
- <sup>xxxiv</sup> \$30K was taken off the top of the original interest income calculation of \$302K in order to replace the sewer line at Fire Station 2.
- <sup>xxxv</sup> Pursuant to the new policy, \$30M is to remain as the corpus provided necessary to generate meaningful interest income for the purposes discussed.
- <sup>xxxvi</sup> One example being proposed in the FY 23 budget includes the repurposing of the seldomly used kids’ corner into sorely needed studio space. The idea being that by so doing, classes that are more aerobic/dance in nature can be segregated into this program space without taking up gym floor space any longer. Hopefully, this change will lend itself to being able to sell more classes that flourish with this type of space.
- <sup>xxxvii</sup> Of the list of priorities provided by the voters in 2018, subsidized public swimming is in the top ten although of medium priority.
- <sup>xxxviii</sup> Unfortunately, until OVG’s books are audited, that payment can’t be realized until late Q2, FY 23. For reference sake, the first year OVG gave the City a profit check it was \$1800. It is expected that the next check could be as much as \$20K. It has been a very long time since there has been a profit produced with Hogadon’s concessions efforts.
- <sup>xxxix</sup> This would ostensibly have to mean that there would be enough added ice time and other financial activity over and above its corresponding expenses to not require the \$250K/yr. So, for a \$250K annual subsidy, a capital investment by the Council of \$5M, the payout comes in 20 years.
- <sup>xl</sup> These reserves have proven very helpful in that they have been utilized to shore up the conditions of the clubhouse that hopefully will help the building to last another 10 years (that cost was \$125K).
- <sup>xli</sup> As of the last couple years, Council has allowed that funding to be provided through 1%. Given that this new arrangement will no longer be considered a cost of supporting an outside contract, Council may not feel that adding



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this to an operational subsidy akin to pools is acceptable for the next four years should the one cent pass in November. However, like pools, the intent would remain being that of keeping the financial barriers to access to an absolute minimum, and therefore, very much a means of keeping the support of the poor and their access to needed services in line.

<sup>xlii</sup> \$300K will come additionally through the State due to the delay in deploying funds for FY 22.

<sup>xliii</sup> This is the cumulative estimate between the fixed route system, known now as Casper Link, and the dial-a-ride system, now known as Assist.

<sup>xliv</sup> Which include reserves set at 90-days of operations for each.

<sup>xlv</sup> The Regional Water loan is actually being paid into both the general fund and the perpetual care fund on a 50/50 basis, which means that the general fund may actually have a balance by the end of FY 23 of close to \$3M.

<sup>xlvi</sup> Not inclusive of transfers from the general fund needed to balance the operations of the dependent funds such as the recreational-based enterprises.

<sup>xlvii</sup> \$172K of which was to FWC employees.

<sup>xlviii</sup> Unlike the City's reserves that are established by policy fiat.

<sup>xlix</sup> This figure is based upon the number of remaining members being supported by Fire Fund A whose service was here in Casper.

<sup>1</sup> Staff has tried to be very careful with regard to how 1% dollars and non-1% (GF) dollars are accounted for so that appropriate accountabilities can be provided, typically with relation to renewing subsequent 1% programs.

<sup>li</sup> Council will recall that staff suggested a growth factor of 5% in sale taxes (FY 22) over and above from the previous year to which Council agreed to adopt.

## ***Mayor***

**City Council is working to put the City of Casper in a long-term position to be its own best steward, and one component of that initiative is eliminating leases in instances where property ownership makes more sense.**

Recently, that's included ending leases in favor of owning property, like with the recent purchase of the Casper Business Center as a new police headquarters and City building. Now, we're considering purchasing the Izaak Walton Campground, where the City has leased property since 1954 where two of our water wells were placed.

**City officials have been researching, debating and negotiating the purchase of this area since 2020, and it makes sense for the City to own this property for a number of reasons.**

Not only will this eliminate a lease and give the City ownership over land with our own water wells, but it will also be an important component of river restoration as well as historical and recreational opportunities. Fort Caspar Museum is a jewel in our community, and we're really excited about ways to integrate its historical programming and education into the great outdoors that Casper is so celebrated for.

**This deal is not finalized, and Council will vote on the acquisition during next week's Council session Tuesday, June 7.**

Though Council has not made our final decision and the sale is still pending, we wanted to alert our media partners and residents about this potential purchase in the interest of transparency. Council will vote on this issue at our next session following public comment.

## ***Brian Connely***

**This deal is a win-win for our organization and for the City.**

The Charles E. Piersall Chapter of the Izaak Walton League of America was established in 1925, and since then we've been promoting stewardship of land, recreation and community. For 97 years, it's been our mission to conserve, restore and promote the sustainable use and enjoyment of our natural resources. Now we know that this land is in the right hands to continue that mission.

**Passing the land on to the City – and ultimately the community of Casper – is the best legacy our Chapter can leave.**

Even though the land wasn't for sale, when the City contacted us about purchasing our Campgrounds, it made sense. This guarantees that the land we've worked so hard to protect stays in public hands. We know how important river restoration is to the City, and we share that commitment. We'll continue to use the lodge for monthly meetings as part of our new lease agreement.

### ***City Manager***

**Purchasing this area is a more responsible, sustainable use of funds rather than leasing.**

The City of Casper alongside City Council are always working to find ways to be better stewards of taxpayer dollars. It doesn't make fiscal sense to continue leasing, especially given the area's water, river and historical access. Financial, social and ecological sustainability are critical to a healthy, robust city, and this purchase will make access to drinking water and our river more sustainable decades into the future.

**If approved, the City will be purchasing the Izaak Walton Campgrounds for \$250,000, plus the cost of property repairs.**

The Campground property includes the lodge, RV campgrounds and water wells, which are currently being leased from the Charles E. Piersall Chapter of the Izaak Walton League of America. If the purchase is approved, the City will be responsible for a number of renovations over the next two years, including electrical and water line maintenance as well as lodge restoration, which we hope to add to the National Register of Historic Places.

**The Charles E. Piersall Chapter of the Izaak Walton League of America will place a conservation easement on this area.**

In working with the City to sell the property, the organization expressed the desire to preserve the ecological significance of the area and promote river restoration and specifically requested a conservation easement for a majority of the property. The proposed sale agreement includes filing of a conservation easement, an effort the City wholeheartedly supports.

**The City plans to continue operating the property in largely the same fashion that it has been.**

The Izaak Walton Chapter will enter into a lease with the City so they can continue using the lodge for meetings and gatherings and operating the RV campground. Long-term, in addition to this on-going partnership with the Charles E. Piersall Chapter of the Izaak Walton League of America, we'll be exploring how we can integrate historical opportunities of Fort Caspar with the recreational and conservation opportunities.



DATE: JUNE 1, 2022  
TO: CIVIL SERVICE COMMISSION  
FROM: HEIDI ROOD, HUMAN RESOURCES TECHNICIAN  
SUBJECT: CIVIL SERVICE COMMISSION MEETING

**CIVIL SERVICE COMMISSION MEETING  
WEDNESDAY, JUNE 1, 2022**

1:00 P.M.

City Hall – Downstairs Meeting Room  
200 N. David St.

**AGENDA**

1. Approval of May 4, 2022, Meeting Minutes
2. Certify Police Officer List
3. Fire Battalion Chief Test
4. Other Business
5. Set Next Meeting Date(s)

July 6<sup>th</sup> – Rules and Regulations

August 3<sup>rd</sup>



CELEBRATING  
**40**  
YEARS  
OF COMMUNITY  
TRAIL BUILDING

## June 4th: PRTT Spring Cleanup

### What?

On Saturday, June 4th the Platte River Trails will host our annual Spring Cleanup to spruce up the River Trail, the Casper Rail Trail and other City trails ahead of our busy summer season.



### Where and When?

Volunteers are asked to meet at the Tate Pumphouse on Saturday at 8:45 a.m. We'll send groups out to different areas of the trail at 9 a.m. and be done by noon.



### Register

Volunteers may fill out the registration form ahead of time and [email it](#) to the trails office OR register the day of.

[Registration Form](#)

### DONATE

Can't make the cleanup but LOVE our community trails and want to support our work? It's easy to donate today.

[DONATE](#)

Platte River Trails Trust  
307.577.1206  
platterivertrails.com