

COUNCIL WORK SESSION
Tuesday, December 14, 2021 at 4:30 p.m.
City Hall – Council Chambers

AGENDA

1. Council Meeting Follow-up
2. Ford Wyoming Center Facility Use Study
3. Utility Rate Changes for Water, Sewer & Refuse Collection
4. Streets Projects Priority List
5. CY Avenue Trees
6. North Platte River Park No. 2 Subdivision
7. Agenda Review
8. Legislative Review
9. Council Around the Table

Mayor Freel called the meeting to order at 4:36 p.m. with the following Councilmembers present: Cathey, Engebretsen, Gamroth, Johnson, Knell, Pacheco, Pollock, Quest and Mayor Freel.

1. Council Meeting Follow Up

Mayor Freel asked if there was any old business. City Manager Napier said that there was none.

2. Ford Wyoming Center Facility Use Study

City Manager Napier explained that the study being discussed tonight is in regards to how the Ford Wyoming Center (FWC) is going to be used for the next generation. The facility is forty years old, and it was designed to accommodate events of a style that might now be out of date. This study will assess whether the Ford Wyoming Center might need to be physically improved so that it is better designed around future events.

Director Brook Kaufman of Visit Casper provided a presentation to Council. She explained that the current facility can seat 8,000 people, and that roughly 200,000 people pass through the FWC's doors every year.

She explained that a recent attitude survey of 500 individuals was conducted, most of whom lived in Natrona County. The vast majority of the respondents said that they do go to events at FWC, and the vast majority of them said that their experience at the facility was generally positive. The vast majority of the respondents said that the facility was either a vital economic generator of that it was a good facility to have for entertainment and quality of life. Most said that it was either very important or somewhat important to Natrona County's overall economic health.

The 40 Year Anniversary events will occur within the next twelve months, and they will involve a great deal of public outreach. Ms. Kaufman said that in one year the survey will be repeated with the exact same questions. The goal will be to see what changes as a result of those celebratory communications.

Ms. Kaufman explained that it was built to accommodate 10,000 people, and she suggested that perhaps a facility of that size will never sell out given Casper's population. She said that her proposal tonight is to do a formal study to see whether the building needs updated so that it's better structured to host the events of the present and the future. Her request this evening was to authorize up to \$30,000 so that the City could split one third of the price of a study of this issue.

Councilmember Cathey asked if the College National Finals Rodeo was included as a "sports" event. Ms. Kaufman confirmed that it was.

Councilmember Pollock asked if the FWC might be repositioned to better handle conventions. Ms. Kaufman said that she was not sure, but she suggested that a "campus" design would be more appropriate, with the FWC being one building that works in partnership with others.

Councilmember Gamroth asked if the goal was to make the FWC more self-sufficient financially, and whether the facility might benefit from greater diversity in events. Ms. Kaufman said that, in her opinion, the FWC needs more event days. Brad Murphy, the facility's manager, said that having more events will generate more revenue with minimal increases in cost.

Councilmember Knell said that he agreed that the prices were sometimes too high, and he asked if we could lower the prices to increase attendance, and make a profit despite lower ticket prices. Mr. Murphy said that this was conceivable, but it would require a great deal of understanding from the promoters, because they are the ones who set the ticket prices.

Councilmember Knell also commented on the upcoming New Year's Celebration. Mr. Murphy said that he was hopeful that it would sell out.

Mayor Freel asked where the funds would come from. Mr. Napier said that Coronavirus Aid, Relief, and Economic Security (CARES) Funding would probably be used.

Councilmember Johnson joined the meeting at 5:00 PM.

Council agreed to authorize up to \$30,000 to support the study.

3. Utility Rate Changes for Water, Sewer & Refuse Collection

Mr. Napier explained that the City updates its water, sewer, and refuse collection rates every other year. These rates, by their nature, are greatly impacted by things like the amount of One Cent funding that is spent on those operations, and also factors such as inflation. He specifically mentioned that PVC pipe prices have more than doubled in the last few months, and increased prices like these always impact the need for rate increases.

Mr. Napier also explained that the funds in question all try to maintain minimum reserves in beyond the minimal requirement of remaining solvent.

Mr. Napier began by discussing the Sewer Fund. He explained that one of the major cost drivers of the Sewer Fund is the revenue needed by the Wastewater Treatment Plant, because the Sewer fund is the WWTP's primary customer.

Mr. Napier said that staff is proposing an 11% increase for the next two years. This rate assumed a continuing subsidy of \$500,000 per year from the One Cent. He demonstrated that a smaller rate increase of only 6% per year would quickly drive the fund to become insolvent.

Councilmember Cathey asked if the State mandates the minimum reserves that appeared on the charts. Mr. Napier said that the State mandate is more general, but the City's policy is to maintain 90 days of operating reserves plus one year's worth of depreciated capital.

Councilmember Knell pointed out that the rate increase will be unpopular with the citizens, but that it would be much worse if the City stopped its generous program of utility subsidies. He also added that the City is a victim of inflation just like any other person or business.

Councilmember Engebretsen noted that the waste water treatment plant (WWTP) needs significant renovation. She asked if the rate increases that are being considered will be enough to generate the funds that will eventually be necessary for that sort of project. Mr. Napier said that these rates are not ambitious enough to generate the kinds of funding that would be needed, but he also pointed out that the WWTP costs are shared among all of the local governments.

Councilmember Cathey pointed out that the capital construction being envisioned by this plan is only going to be enough for a sewer line replacement schedule of each pipe segment being replaced once every 300 years. He pointed out that this is despite the 11% rate increase. He added that the rebuild of the WWTP is also somewhat unknown even now because many of those improvements will be determined by the dictates of the Environmental Protection Agency.

Councilmember Gamroth asked what more could be done to speed up the replacement scheme. Mr. Napier said that increasing the replacement schedule from 300 years to once every 250 years would require an additional \$250,000 per year. He said that this situation is not unlike the current situation for many cities and towns across the country.

Councilmember Gamroth pointed out that the current rates rely on subsidies from the One Cent. He asked how rates would be affected if One Cent 17 does not pass in 2022. Mr. Napier demonstrated that without One Cent funding, revenues would have to come from elsewhere, or the fund would quickly burn through its available reserves.

Councilmember Pollock asked what rates would have to be in order to support the fund without any One Cent money. Mr. Napier and Financial Services Director Jill Johnson demonstrated that to make up for the loss of subsidy, rates would have to increase by 11% in 2022 and then by 15% in 2023, 15% in 2024, and 11% in 2025.

Councilmember Pollock also asked about the feasibility of cancelling or postponing capital projects as a means of maintaining financial stability. Mr. Napier said that it could be done, but in the long term, delaying capital will tend to make the overall situation worse.

Councilmember Cathey noted that he had recently had a conversation with Krista Johnson, the supervisor of the City's sewer operation. She relayed to him that many of the eldest pipes are in decent shape, including the ancient pipes that are made of clay tile. Still, replacement must be done

eventually. He added that the Casper Utility Advisory Board was looking at managing rates and projected inflation, and that a manageable increase this year would be preferred instead of having to have an even larger increase in the future. He said inflation could continue to vary and that rates will be revisited and the corresponding changes could be taken into account.

Mr. Napier then moved on to a discussion of the Water Distribution Fund. Under this proposal, water rates would rise by 6% per year for the next four years. This rate increase assumed \$2,500,000 of annual subsidy from the One Cent. He also pointed out that \$12,000,000 was being anticipated from the Wyoming Water Development Commission (WWDC) in 2023 to fund the rebuild of a 10 million gallon tank, along with an increased expense of \$12,000,000.

Mr. Napier explained that, in general, the fund is in decent shape, and the 6% increases being envisioned will tend to have the effect of gradually reducing the fund balance down toward the reserve balance set by policy. He demonstrated that a smaller annual rate increase of 3%, for example, would break the reserve policy by 2025.

Councilmember Knell suggested setting an annual rate increase of 7% so that the fund never approaches the reserve balance. Ms. Johnson adjusted the model to show this, and under that scenario, the fund balance would fall closer to the desired reserve balance but it would not fall below within the next five years.

Councilmember Engebretsen said that she was not in favor of using any more One Cent funding because One Cent funds are so dearly needed for many other operations.

Councilmember Gamroth said that he agreed with Councilmembers Engebretsen and Knell. He said that he liked the 7% increase, and he said that the One Cent should not be relied upon so heavily since it is not a sure thing.

Vice Mayor Pacheco expressed some confidence that One Cent funding will not go away next year given the broad support that the One Cent has in the community.

Mr. Napier volunteered at that time that the \$12,000,000 tank rebuild assumes that the entire project would be grant funded. Andrew Beamer, Public Services Director, explained that we were likely to receive 67% of those funds from the WWDC, but the model assumed that the remaining third would come from other grant funds, such as American Rescue Plan Act (ARPA) or CARES Act funding.

Vice Mayor Pacheco asked if staff's recommendation was to increase rates by 6%. Mr. Napier said that since the grant matching funds are in question, a 7% increase might be more appropriate.

Councilmember Pollock said that she felt more comfortable with the 7% rate increase for now, and she noted that a lower rate increase in future years could be considered at that time if cost increases are not as bad as currently feared.

Councilmember Cathey congratulated the Council for dealing with these issues now and not "kicking the can down the road."

Mr. Napier then moved to a discussion of rates at the Balefill. He began by pointing out that the Balefill fund is largely supported by other communities and customers because the Balefill takes trash from many different cities. He also pointed out that the Balefill fund is not supported by the One Cent.

The staff proposal regarding the Balefill was to increase costs at roughly \$1 per tip for two years, then \$2 for the following two years. This equates to roughly 2% for the first two years, and 3.5% for the two years after that. Mr. Napier pointed out that these rates would therefore remain well below the national average and well below the state average for tipping fees.

Mr. Napier also pointed out that, under the proposed model, the fund would eventually fall to the desired reserve balance by roughly year 2025. Unfortunately, this scenario would not be sufficient for the anticipated landfill cell closures that will occur in 2026.

Councilmember Quest said that, since we are anticipating more expenses in 2026, then perhaps the model should be adjusted to reflect that future capital expense. Mr. Napier said that the size of the fund might be causing some of the confusion on this point, but he added that the fund is intended to keep a 10% buffer of reserves. Councilmember Quest responded by asking if we were, in effect, kicking the can down the road by not being more aggressive with tipping fee increases. Mr. Napier conceded that we were to a certain extent, but that he was hopeful that petroleum related tipping fee revenue might also come in with higher than expected revenue in future years, thereby offsetting the other expenses.

Councilmember Pollock followed up on the questions from Councilmember Quest by asking about capital needs and the impact on reserves. Councilmember Pollock suggested that, since the fund is so greatly affected by capital needs, we should therefore be trying to stay well above the 10% reserve that is currently prescribed. Mr. Napier agreed, but with the caveat that it was possible for some of those projects to be grant funded.

Councilmember Cathey pointed out that, in years past, these funds have sometimes had very large reserves, so he said that the gradual drawdown of the reserves was less alarming with that perspective.

Councilmember Cathey asked when the next cell will be built. Cindie Langston, the Solid Waste Manager, said that the next cell will open likely at the end of fiscal year 2023 and that one of the first cells will be partially closing. She also said equipment costs have increased significantly.

Councilmember Knell opined that, for now, the reserves that we have will be enough to keep the reserves healthy, but he suggested that a correction next year could be done if the fund fails to perform. Mr. Napier said that this could be provided.

Councilmember Gamroth asked about revenue from turbine blade disposal. Ms. Langston said that the turbine blade revenue was effectively a one-time shot in the arm. She said that she did not expect to see more revenue from wind turbines anymore.

Mr. Napier then moved to the discussion of the Refuse Collection fund. He began the discussion by reflecting on the impacts of COVID, which included larger amounts of consumption of goods by the public, and as a result, greater trash production. Mr. Napier also pointed out that Refuse Collection effectively has two sets of customers: commercial and residential.

Mr. Napier said that staff's proposal was to raise refuse rates by 26.5% in 2022. He pointed out that, even with this rate increase, the typical monthly rate would remain less than \$25 per month, which would therefore keep it well below the national average. The model under this scenario would leave the fund with a balance below the reserve policy in the first two years, but the fund would then recover. If the rate increase was reduced to just 13%, then the fund quickly drops below the reserve policy, and then keeps dropping.

Councilmember Knell asked if the One Cent could not be used to support this fund. Mr. Napier said that, historically, the goal had been to not support this fund with the One Cent.

Councilmember Quest asked if it might be better to increase the rates more gradually. Mr. Napier said that front loading the rate increase was less risky than end loading the rates. Councilmember Quest noted that the energy industry has a great impact on the Balefill Fund, and she asked if the situation was the same for the Refuse Collection fund. Mr. Napier said that this fund is much less effected by the fluctuations in the energy industry.

Councilmember Gamroth asked about the \$1,000,000 hit that was caused by COVID. Mr. Napier said that the Refuse Collection fund must pay the Balefill fund for the waste that it produces, and during COVID, the waste stream grew significantly. At the same time, the price of steel rose dramatically, and this had an impact on the price of the Refuse Collection trucks.

City Manager Napier asked if Council was comfortable with the rate increase. Councilmember Knell said that he was comfortable with the model suggested by staff. Council supported the rate increase proposed by staff. City Manager Napier said staff would prepare materials for consideration at a Council meeting, and any changes or concerns could be addressed at that time.

4. Streets Projects Priority List

City Manager Napier began the discussion by pointing out the relationship between utility rates and the costs of street repair, because both Utilities and Streets rely on One Cent Funding, and larger amounts of One Cent for utilities means less One Cent for streets. He also pointed out that the Midwest project is also in need of \$2.3 million of funding, and that this was still a need since the failure of the Specific Purpose Tax. Funding Midwest would therefore require the defunding of many other street projects.

Mr. Beamer began by introducing Karen Fenton, the GIS Specialist at the Water Distribution Garage. Mr. Beamer said that funding the final segment of Midwest would require a defunding of projects on 12th Street, Wolcott Street, and Mariposa.

Councilmember Knell suggested that the residential streets should be prioritized above the project on Midwest.

Councilmember Gamroth said the Council and the community must now face the challenge of funding for streets, including Midwest, without the Specific Purpose Tax.

Councilmember Gamroth asked how street projects are prioritized. Mr. Beamer said that they are based largely on the street quality study performed in 2019, but they are also affected by average daily traffic and by the needs to replace underground utilities.

Councilmember Gamroth said that, as a person who works downtown, he was very familiar with the abysmal quality of Midwest. He asked how the state office building's operation will impact travel on Midwest. Mr. Beamer said that with 400 employees in that building, the building ought to generate roughly 800 trips per day.

Councilmember Gamroth also asked about deferring maintenance of Midwest. Mr. Beamer said that some sort of maintenance would be needed soon to prevent a complete failure of the street.

Councilmember Pollock asked where Mr. Beamer would put Midwest in the priority list, as compared to 12th, Mariposa, and Wolcott. Mr. Beamer said that he was not sure, but he said that Midwest absolutely needs maintenance.

Councilmember Engebretsen noted that a lack of funding is the reason why the streets continue to deteriorate.

Councilmember Gamroth pointed out that federal funding through ARPA and the infrastructure bill might also be a source of funding. Mr. Napier agreed, and likewise, he noted that other sources of funding might eventually appear. However, he noted that other significant projects, such as the police station, might require much if not all of the ARPA funding already collected. He also pointed out that another Specific Purpose Tax could be requested, but of course, its previous failure did not speak well to its future chances.

Councilmember Knell said that councilmembers must make unpopular decisions. He said that the voters effectively chose against funding Midwest. He said that the Council should therefore make the decision to not fund Midwest from these other funding sources. Councilmember Cathey agreed with Councilmember Knell.

Vice Mayor Pacheco said that Midwest is still the Council's responsibility, so he asked if a basic mill and overlay might be enough to keep it viable. Mr. Beamer said that a minimal project would probably involve using City staff and equipment to do a mill and overlay of the street. He explained that it would not last long given Midwest's condition, and it would not include the nice light fixtures and the sidewalks. But it would be a serviceable minimal repair.

Councilmember Cathey asked why the nice amenities were put in place further up Midwest. Mr. Beamer explained that the project is effectively a connection point for the trails network, which is why the sidewalk and trail segments were included.

Councilmember Gamroth pointed out that all street projects are done with One Cent funding. More specifically, he pointed out that if the One Cent does not pass, there will be no street projects. Councilmember Knell agreed, and he implored the public to remain engaged and informed.

City Manager Napier asked the Council for the opportunity to come up with other alternatives to save Midwest. He agreed that 12th, Wolcott, and Industrial Avenue are all important. As such, he agreed that staff would proceed with those projects, but he suggested that maybe staff could come back with other options that might preserve some funding for Midwest.

Council agreed to proceed with funding 12th, Wolcott, and Mariposa, and to await another proposal from staff regarding Midwest.

5. CY Avenue Trees

City Manager Napier began the discussion by pointing out that the trees on CY Avenue are greatly valued by the community, as are all of the very old and very large trees. He asked if Council might consider both the trees on CY, but also the large “majestic” trees citywide, with the hope that staff could then have a standing policy for other trees citywide.

Zulima Lopez, Park and Recreation Director, explained that there are four trees on CY that were brought forward for pruning. After city staff consulted with Rocky Mountain Power, the suggestion came forward to instead take those trees down entirely. She pointed out that in the last few days, three large ash trees fell due to the wind, again because they were old and because their trunk structure meant that they were too weak to survive the winds.

Ms. Lopez proposed a standardized assessment of each tree, including an assessment against municipal law. If the decision was made to remove the tree, then a site assessment would be done regarding tree replacement. The replacement plan would take into account city regulations, the proximity to power lines, and other factors. She added that tree removal decisions would typically be done after notice was given to the Council unless there was a dire safety issue.

Vice Mayor Pacheco agreed that certified arborists, like those on staff, should be relied upon to make tree removal decisions.

Councilmember Knell said that he agreed with Vice Mayor Pacheco. He added that he appreciated getting notice of such removals. He also asked if every removed tree could be replaced with a similar tree at the same location. Ms. Lopez said that a tree-for-tree replacement might not be advisable in all cases because some trees will be removed from places that are not suitable for an identical replacement tree.

Councilmember Pollock asked about the spacing requirements for trees. Katey Hallock, Supervisor of the Weed and Pest work group, explained that attention is always paid to the species selected for each location. She pointed out that, for example, the recent wind storms have caused many trees to come down, but other trees have survived very well, and this information is useful for the arborists on staff.

Mayor Freel asked about the general health of trees and how they are assessed.

Councilmember Gamroth pointed out that the arborists on staff are arborists for a reason: they love trees, and they don't want to remove them. He also asked if all trees, when removed, need to be taken down to the ground, or whether trunk sculptors could be allowed repurpose those trees. Ms. Hallock pointed out that some trees are taken down because they're effectively dead. But other trees are diseased at their core, so they seem healthy, but still need to be removed. She emphasized that removing trees is always an act of last resort, but sometimes it must be done, especially to preserve public safety.

Regarding sculpture, Ms. Hallock said that living tree trunks can often be used for bank stabilization for the Platte River. However, she said that most trees in that situation are truly dead and not suitable for any sort of reuse.

Mayor Freel summarized that a policy for removal and replacement will be put in place and that Council will be notified prior to removal of any trees. City Manager Napier concluded by emphasizing that replacing trees is always preferable whenever a tree is removed.

6. North Platte River Park No. 2 Subdivision

The North Platte Park is a 1,000 acre area in North Casper that surrounds the Ford Wyoming Center. City Manager Napier suggested to Council that platting and, in some cases, rezoning this land to make it more suitable for business development might give the private sector some opportunities for growth which might otherwise be unavailable given the developable properties that are currently available from the private sector. He said that, under the current plan, utilities would not be added to the properties. It would mostly involve rezoning and replatting.

Councilmember Knell asked if anyone who is interested in history would object to redeveloping this land. City Manager Napier said that this was unlikely because these lands are not historic, nor are they widely used for recreation.

Councilmember Pollock asked about the differences between M1 and M2 zoning. Director Liz Becher, of the Community Development Department, explained that M1 is "highway industrial," which allows for 51 uses, most of them commercial, including retail and warehousing. M2 is more "general industrial" which includes everything allowed under M1, but it also includes heavy industrial uses that might be a bit more appropriate for land that borders an interstate.

Councilmember Pollock also asked how this rezoning might impact the Ford Wyoming Center, especially in regards to the redevelopment that was hypothesized by Ms. Kaufman. Councilmember Pollock also asked about how this redevelopment might impact the public's access to the Ford Wyoming Center.

Ms. Becher said that this proposal was based on the fact that this area is considered a "targeted growth area" and a "targeted redevelopment area," and this replatting and rezoning would be consistent with that plan.

Regarding its impact on the Ford Wyoming Center, Ms. Becher said that previous plans did involve redeveloping some land near the Ford Wyoming Center for hotels, and perhaps a conference center.

Councilmember Cathey asked if hotels would be allowed in M1 and M2. Ms. Becher confirmed that those uses are allowed. Councilmember Cathey pointed out that, by rezoning away from “park historic,” the City becomes more flexible in regards to development possibilities. He pointed out that the City will still be the owner of these lots, and as such, the City would still decide what could be built at each location.

Mayor Freel asked why staff was proposing two different zoning designations for different parts of the site. City Manager Napier said that the inclusion of different types of zoned areas allowed for the City to address different kinds of development proposal. Mayor Freel followed up by asking if we should just zone the entire area M2, since that is the more flexible zoning. City Manager Napier suggested that the M2 might be a bit too intensive for the entire site.

Council agreed to move forward with the rezoning and replatting proposal.

3:08:20

7. Agenda Review

City Manager Napier referred the Council to the grid of upcoming meetings. He noted that upcoming items in December included Roberts Rules of Order and the redevelopment of the Highland Park Tennis Courts. In January, the first meeting of the year would feature the swearing in of the new Mayor and Vice Mayor.

Councilmember Engebretsen asked for a work session on gambling ordinances. Council agreed to have it added as a work session topic.

Mayor Freel asked about the sport field leasing, and whether it referred to the baseball fields. City Manager Napier confirmed that it did. Mayor Freel asked when it might be ready to come forward; City Manager Napier suggested that it should be on the agenda for the second meeting in January.

8. Legislative Review

City Manager Napier said that the legislature would soon be back in session. As such, he recommended that Council consider the legislative agenda at a work session, and likewise, that a meeting be had with the legislative delegation.

9. Around the Table

Councilmember Engebretsen said that she had enjoyed last week’s employee breakfast.

Councilmember Johnson apologized for missing some recent meetings, but he said that he had been dealing with certain family issues.

Councilmember Gamroth asked for public feedback on the open container ordinance. He also said that he had enjoyed the employee breakfast. He said that he had recently attended a celebration at Willard School. He thanked Ms. Kaufman for this morning’s breakfast presentation on tourism in Natrona County. He also noted the programs being offered by the Science Zone children’s museum.

Councilmember Knell said that many business owners are struggling to find employees. He also encouraged everyone to take care of themselves during the holidays, especially in regards to stress and mental health issues.

Councilmember Cathey said that he appreciated the work of the CPU Advisory Board.

Councilmember Pollock expressed appreciation for the Visit Casper presentations and their recent data reports.

Vice Mayor Pacheco said that he would be absent for the meeting on December 21, 2021.

Mayor Freel expressed his appreciation to the officer who responded to a wind related event. The officer in question was outside for quite a long time, and must have been quite cold by the time the call was fully handled.

The meeting was adjourned at 6:00 p.m.

ATTEST:

CITY OF CASPER, WYOMING
A Municipal Corporation

Fleur Tremel
City Clerk

Steven K. Freel
Mayor