

City of Rock Springs )  
County of Sweetwater )  
State of Wyoming )

City Council met in special session on December 18, 2020. Mayor Timothy A. Kaumo called the meeting to order at 3:00 p.m. Members present included Councilors Keaton West, Rob Zotti, and Jeannie Demas. Councilors Billy Shalata, Tim Savage, Ryan Greene, David Halter, and David Tate were absent from the meeting. Department Heads present included Jim Wamsley and Matthew L. McBurnett.

Mayor Kaumo welcomed everyone and thanked them for joining the meeting today. He hopes to have some discussion prior to the upcoming Legislative Session. He asked participants to raise hands in the Zoom meeting and Kristyn Muniz, Deputy City Clerk, will manage that and keep track. He welcomed Senator John Kolb and Representative Chad Banks.

The upcoming session will be different, as everyone knows. Mayor Kaumo added that reducing/eliminating the \$105 million distribution to Cities and Counties is concerning. Funding cuts made to the SLIB programs are concerning as well. Those two items will be critical moving forward for the City of Rock Springs.

Councilor Zotti asked for clarification on the Budget Committee and the tax that was available to municipalities – Matthew L. McBurnett was going to look into it, do we know what is coming of that? Mr. McBurnett stated that it must go on the ballot, and in checking with the City Attorney, it must be for a specific purpose. The tricky part is that no one has done it yet. Politically, the Governing Body probably would not want to list it as being for general use. Councilor Zotti stated that with the Specific Purpose Tax, it is used for projects, the 4<sup>th</sup> cent tax was used for recreation, etc. He was wondering with this one if it could be used on other things like capital or payroll expenses. Mr. McBurnett will look into it further to get specifics. Councilor Zotti asked Senator Kolb and Representative Banks what their thoughts are. Kolb stated that the State is going to go through the round of cuts, and then those cuts will be reviewed by Legislators and addressed. He welcomed feedback about what the impacts are, the City would know more about what the budget impacts would be. Banks stated that he has been keeping an eye on the Joint Appropriations Committee and that a gas tax has been passed, but there is not much else in revenue to look at. Councilor Zotti stated that as a result of City and state funding being cut, reductions in force would be considered, early retirement as well as fleet management, aging equipment, and other future planning and preparation would suffer. Legislator Kolb encouraged the City to describe what has been done already to try to deal with revenue shortfalls to help encourage the discussion. Councilor West asked for confirmation of whether there were cuts in the direct distribution amount. Kolb stated that he has heard from the Governor's office that a 10% cut is being considered across the board. Banks stated that he has not heard anything from the Joint Appropriations Committee about the direct distribution amount, but is checking the agenda to see if it is going to be discussed.

Mayor Kaumo stated that in each Legislative Session, details are provided by the City as to what is being cut. His biggest concern is the statement made by another senator, that there was discussion of moving away from the direct distribution to cities, towns and counties. That statement would be critical for the City of Rock Springs. Only time will tell.

Kolb stated that the Rainy Day fund will be exhausted in two years, and the direct distribution amount will be pulled from this fund. There will be no money there. That is the issue and will have the biggest bearing on the direct distribution amount.

Mr. McBurnett stated that he found the section of legislation for the purpose of the municipal legislation tax. He quoted the legislation, stating that it could be for general or specific purposes. Councilor Zotti clarified that a limit must be set if it were to be collected for general funds, etc. Mr. McBurnett stated that he would like to get clarification from the County Attorney prior to any action being taken.

Mayor Kaumo asked Kolb and Banks about the statements against instituting more taxes. With oil and gas, industry, and other areas declining, he asked whether they had suggestions regarding that.

Banks stated that his observation is that the committee is against any tax or fee increases, and that it seems that it is hoped that municipalities will institute their own systems. Kolb added that he is a “no tax” supporter, because budgets are not being reviewed and revenue is lacking. He believes that the school system and local governments are adversarial, as they fight for the same funding at the state level. He believes both are equally important.

Mayor Kaumo asked about the long list of exemptions on the list of sales tax, and considering eliminating some of those. Kolb stated that even those exemptions being removed would not be enough. The revenue shortfall is so wide that this wouldn’t touch the issue. Banks has had some discussion about the exemptions, and stated that small businesses are essentially paying the sales tax, where larger vendors like Microsoft are not. Mayor Kaumo asked where the issue is with the K-12. Kolb stated that capital construction is a separate funding mechanism. The reality is that there are too many school buildings with not enough children in them, due to a decrease in population. Consultants are also hired to come up with a model, and the funding model is what is funded. The consultants ask for the amount of funding that is wanted, not necessarily needed. Political parties add to the archaic way of funding schools. Recalibration is needed for K-12 funding.

Fire Chief Jim Wamsley stated that there has been a discussion of consolidating school districts in each county, such as having one school district per county, which inherently now have multiple entities performing the same function. Has this been discussed further. Kolb has stated that he does not know where this sits now, but he has heard that the frustration with this is present. Federal reporting requirements come into play with grant money and more, which may contribute to multiple school districts per county. An opportunity to delve into that has not been given yet. He thinks this is an important topic and looks forward to discussing that.

Chief Wamsley added that he is curious as to what measures are being taken to balance the budget, and finding where services are duplicated and consolidating departments, eliminating unnecessary redundancies at the State level. Mr. Wamsley stated that it is frustrating to hear that reserves are being drawn from at the City level, as a department head, when he sees opportunities for consolidation and reduction at the State level. Councilor Zotti stated that 2019 began with areas that services be combined, even at the local level. Departments, recycling, inventory, police, fire, and fire districts were considered for consolidation. Senator Tom James asked

whether the City has considered getting rid of the Golf Course, since it is a loss every year in the budget. Mayor Kaumo stated that depending on where we are coming in, things like that will be of serious discussion. He stated that in very tough budget times, recreation could be considered to be a non-essential service. Everything is on the table at this point. James stated that he is hoping to come up with some extra revenue by changing calculations to certain taxes such as severance tax, to become a utility tax at the customer level, essentially. Mayor Kaumo asked about what the amount may look like in additional revenue. James stated that he is not there yet, but that the tax would be spread to residents in the entire state. Mayor Kaumo stated that this situation requires thinking outside the box. He likes the idea of this additional revenue. Kolb is wanting to see the outcome, which Mayor Kaumo believes may be too late. James stated that this unfortunate situation could have been avoided by providing economic diversification sooner. Revenue ideas were discussed by James as well by way of changing the structure of the severance tax. Property taxes were touched on, Senator James stated that much money is being lost in property taxes.

Mr. McBurnett stated that Dave Divis, the County Assessor would be the one to start with. He added that with the severance tax, the State has a maximum amount that is distributed of \$155 million, and of that, 9.25% of that would be the City's share. He asked that if the State were to receive more money, with the cap present, would the percentages be divided differently? Anything above the maximum would not be required to be distributed. James stated that removing the amount and keeping the percentage would keep things much more fair. Mr. McBurnett stated that with a bigger pie, that would be fair.

Banks asked whether Mayor Kaumo has had discussions with other cities regarding what their challenges are and what they are hearing from their legislators. Mayor Kaumo stated that with mayors and councilmen from other communities, the conversation is the same. He was on the phone with the Governor this morning, and the same general consensus presents itself anywhere. The problem with WAM is that 99 communities must be satisfied, and so larger cities don't have as much say as smaller communities, which are more prevalent in Wyoming. Cities are struggling to stay alive, and increasing revenue to the state is a constant discussion. Anything that can be done to diversify the economy should be done. Job growth, employment stability, oil and gas, everyone is scrambling to make sense of the mess. Grant availability for critical projects, maintaining direct distribution at levels consistent with the past, entrepreneurship, raising local businesses to generate sales tax, and tourism are all being considered to increase revenues. Mr. McBurnett speaks with many finance directors around the state. Mr. McBurnett stated that each situation is a little different from city to city and county to county.

Kolb asked about the ambulance situation going on around the County. Mayor Kaumo stated that some conversation has been had about it, but it would be a great fit for the hospital to take on. Kolb stated that it is a money-losing situation. The County funded Sweetwater Medics and then decided to fund Castle Rock in fairness. Banks stated that the Joint Appropriations Committee cut the direct distribution by 5%, not the quoted 10% earlier. Past funding that was received and taken away is expected to be begged for to get back. Mayor Kaumo stated with that being said, what can be done here, locally, to help legislators and senators do their job. Kolb stated that working together, despite differences, to represent Southwest Wyoming will make us stronger and appear unified. Having a bigger footprint of influence is key. Kolb needs to hear about the issues that are coming regarding budget shortfalls and how the State budget cuts will affect Rock

Springs services. A new normal will need to be found, and thinking about the future is important. Mayor Kaumo stated that shortfalls have decreased which is good, every little bit helps.

Banks stated that a whitepaper regarding what was done in 2021 with shortfalls and what is planned for the upcoming budget would probably be helpful. Mr. McBurnett stated that any of the representatives present are welcome to contact him with questions. He also added that the direct distribution amount, as it would sit with the Joint Appropriations Committee at a 5% cut, would total \$60,000. When the funding formula was changed, much funding was lost. Kolb stated that the formula was frankly, too simple and Sweetwater County got the short end of the stick. The formula was an attempt to equalize the direct distribution amount, and essentially became a subsidy for poorer counties. Senator James stated that the City providing legislators with any information on regulations or rules that could be removed and would help attract businesses to Sweetwater County, and businesses that have been effected and set up shop in the area without grants or loans. Population is a big deterrent for our area, so we must find a way past that. Councilor Zotti stated that we must start small and move up from there. Mayor Kaumo stated that infrastructure can be limiting as well. Legislator Banks stated that leisure activities, amenities, and appearance are important for attracting people to the area. Less and less people are job chasing now, they move somewhere and then find a job. Mayor Kaumo understands both points of view.

Senator Kolb asked about Department of Transportation needs regarding projects such as 191 North. Mayor Kaumo provided clarification on what is happening and what is needed.

Councilor West stated that beautification has been cut from the large WYDOT I80 Interchange project. The beautification committee does have a representative for WYDOT on it, but beautification has still been removed from the project. Kolb stated that infrastructure at the federal level might be able to be passed to the state, as such, he encouraged the beautification committee to have beautification plans in place should funding become available. He added that having somewhat of a plan, even with no money currently, would be helpful for future planning. He is hoping that when the monies become available that we come out ahead. Diverting project funding from Cheyenne will also be a goal of his, as we don't all live in Cheyenne.

Mayor Kaumo asked about Legislative Session meeting details and whether they will be virtual or in-person. Kolb stated that he prefers in-person, but that Zoom will begin first after new members are sworn in. Discussion took place regarding the method of the session. James stated that showing up at Management Council would be incredibly helpful.

Councilor Zotti thanked Senators Kolb and James, as well as Representative Banks for listening.

Kolb asked about any concerns for COVID-19. Mayor Kaumo stated that the face covering and mask mandate issues have been ongoing. The City is trying to make decisions with common sense. We are not out arresting people unless they are blatantly asking for it. We are trying to keep services going. Kolb stated that legislative changes will be proposed, with certain timelines and having elected people having some sort of input in the process. Mayor Kaumo stated that when the cities have no say in the issue but are left to enforce the issues, it can be difficult.

## **ADJOURNMENT**

There being no further business, the meeting adjourned at 4:55 p.m.

By: \_\_\_\_\_  
Council President

ATTEST:

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City Clerk

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Mayor