

City financial quagmire

Council clueless, mayor indecisive

The mayor is sticking to his guns. If he were right, that would be the proper posture to take. That would be leadership.

But, he's wrong and he needs to change.

He's wrong and he needs to become decisive before Cheyenne sinks still deeper into the abyss.

Rick Kaysen did not cause the financial mess the city now finds itself in. But he must take actions that will begin to dig out of the mess he inherited.

To "stay the course" is reckless, foolish and dangerous.

It is not like the same as sticking with a city attorney who isn't "up to" doing his job because you convinced him to leave a marginal private practice and take the job with the city. He was a friend. As much as that loyalty is wrong, it is nothing compared to staying with a course of action that will most likely have both short and long-term catastrophic consequences for the city you were elected to lead.

And, for Rick to think that a hiring freeze meant not adding employees to newly created jobs is hard to believe. It seems everyone would know that a hiring freeze is intended to leave vacant any noncritical positions as employees leave them.

You don't reduce payroll by not adding jobs. You reduce payroll by reducing the number of jobs you already have, reducing pay for doing those jobs or by furloughing employees without pay.

The sadness to this avoidable problem is that the city had over \$40 million of

excess money in 2001. Reserves were nearly \$16 million and excess fifth penny sales tax collections, which could be spent for any number of purposes, was another \$15 million. The State gifted the city over \$7 million from "rainy day funds." Yet the city now finds itself nearly broke.

Another concern is when government is going broke just how much of what they say can be believed. At June 30, 2009, the city had over \$19 million of unpaid bills for projects in progress or recently completed. They always have a float of money collected but not remitted on approved projects. *Appropriated* funds are not *paid* funds. Only if all committed and approved uses were paid would we really know what, if any, funds the city has to work with. Maybe none. That is not part of a normal audit. The city needs a special audit to determine just what their financial condition is. We could breathe easier. Until that happens, it is just a matter of waiting for the other shoe to drop.

As of noon on Friday, February 12, 2010, only one city employee had committed to accept the buyout - the early retirement offer - the city has made selected long-term, older employees. Only one. Without knowing who that person is, I do not know if they would have retired at this time anyway and will benefit from the \$30,000 being offered and that 30 grand didn't change a thing. It's just a bonus.

What Rick should have done by now is have a number of options thought through. He should have one based on the number of city employees who accept the buyout offer and one based on the generosity of the State. Starting with the worst case scenario of one to five employees choosing early retirement and the State not appropriating any more funds than the Governor has proposed, Rick should have a plan in place. It would, obviously, include layoffs. Layoffs are not furloughs. Furloughs involve employees being forced to take a day or more per month off without pay. A layoff involves employees losing their jobs with no certainty if and when they will get them back. Both will involve in some change in the level of services provided residents. Rick also needs to be able to publicly state just what reduced services will entail. Staying the course is a mistake.

To wait until the other shoe drops before developing options is foolhardy and demonstrates a preference to follow, not lead. The city cannot afford even less leadership. Followers are plentiful and shouldn't be elected mayor of a city with over 55,000 people. Followers walk behind elephants in parades.

The "glass half-full" crowd can't distinguish between optimism and reality. They run out of gas between towns because their positive nature won't let them accept the truth - that the gas gauge does work and it's right. There is a place for Pollyannaism. But the stakes are too high now with the lives and futures of many city employees. It should never have come to this but it has. Staying the course is not a viable or wise option.

Ten years later ...

Before the 2000 election, when people like Jack Spiker and Patrick Collins were elected - Jack as mayor and Collins to the City Council which he will not leave - a new editor at the WTE required candidates to pledge certain actions before the "paper" would endorse them for election.

Jack still had a mind of his own, still had a brain that he would use on occasion, and would not always agree to the demands of the newcomer to town - Reed Eckhardt. Reed didn't know the county library from the state library yet, he was that new. But he was employed by the only daily newspaper in town and he had read somewhere that newspapers can dictate agendas and force behavior of elected officials and, by God, that was his goal. That's what he was going to do.

One of the major "causes" - crusades by Eckhardt - that election cycle was the annexation of county pockets. Those are parcels of land, totally surrounded by land in the city but remaining in the county. A later study determined that the only benefit to annexing these parcels into the city - weighed against the cost and logistics of annexing them - had to do with clarity and convenience in voting. Candidates unwilling to take a blood oath they would do nothing else until those four dozen pockets were annexed could not gain the endorsement of the WTE. And did not.

Candidates have come to know that the endorsement can be a "kiss of death" better avoided but back then it still was thought to have some validity and value.

The mayoral election that year was between two-term incumbent Leo Pando and one-term city councilman Jack Spiker. The WTE had turned on Leo and had gone so far as to demand his resignation. In spite of demanding the incumbent step down, Reed could not stomach Jack and would not endorse him in the general election.

Instead, the WTE *Our View* column on October 23, 2000 said, "*Neither Mr. Pando nor Mr. Spiker has shown the leadership ability that this city needs if it is going to embrace fiscal accountability and growth. If Cheyenne is going to enjoy the successes of the Front Range, it desperately needs a city manager or administrator.*"

The editorial column ended: "*The longer this city postpones this idea, the further behind it gets. Now is the time to move forward.*"

But, having no core principles, Reed wasn't so much opposed to a strong mayor form of government nor was he really supportive of a city administrator or city manager. He was simply laying down the gauntlet to whomever won the following mayoral election, "sell out to us or we will pursue what we said with a wink - that we favored a city administrator or a city manager."

Jack Spiker won the election and sold out. And, sure enough, the city failed at fiscal responsibility and Jack's successor finds

himself in the soup.

Jack sold out to the daily paper 16 days after he was sworn in as mayor. In spite of the WTE despising and disrespecting him, he agreed that they should get the press release that Lowe's had chosen to build a regional distribution center here - a day before other print media and all broadcast media. The die was cast. From that day forward, the WTE never again raised the issue of converting to a city administrator or city manager. Never again was a word written by them in spite of their promise to the contrary. They got what they wanted, a compliant and obedient mayor. They were satisfied.

Patrick Collins had become the paper's darling during the campaign and, in spite of Patrick initiating illegal campaign contributions to Leo Pando and Scott Roybal (another mayoral candidate) to try to defeat Spiker in the primary election, the daily had no problem with that illegal behavior and endorsed Collins for a city council seat. With high praise.

From that early date, the WTE also encouraged the city to take illegal actions regarding annexations. They have never subscribed to the notion that there is a need for state statutes that control annexation or foolish cities like Cheyenne could cost their residents untold money and lose in litigation. Cheyenne did both.

Even though there was no truth to the insinuation, the WTE asked candidates that year: "*How do you intend to deal with growth issues, such as the city becoming landlocked?*" There was an absolute lie buried in the question but candidates knew if they told the WTE the truth, the endorsement would not be theirs.

A couple of examples of Patrick Collins' foresight came from answers to two other questions posed in that October 25, 2000 newspaper. First, "*Do you favor the Old Cheyenne project, including the use of public funds for it?*" The Old Cheyenne project was the one that included a 40' call girl in front of the depot. Patrick's answer: "*I like the concept and am OK with public funds being used to help leverage private investment. The payoff for the city would be a healthy downtown.*"

Can you see a healthy downtown from your store on Dell Range or your house in Bar X, Patrick?

Candidates were also asked: "*Do you favor the manager form of government?*" Patrick's published answer: "*No, it is an awkward process and lacks continuity. I do favor a city administrator; it can be accomplished with a simple council vote and would provide a professional manager. The current system is no way to run a \$62 million business.*"

How do you think the "system" works with a \$100 million business, Patrick? What initiative did you take in nine years on city council to hire a city administrator? No, his stand was a shot across the bow should Jack become mayor. Do it our way or we'll make you irrelevant. He did.

Herald

pick-up locations

- City News - Downtown
- BLM Building Entryway
- Safeway - South Cheyenne
- Wonder Bread Outlet - Ridge Rd.
- Oroweat Bakery Outlet - SW Dr.
- Borderline - Colorado Lottery
- Laramie County Library
- Laramie County Gov't Center - North
- Herschler Building - North
- VA Hospital - South Entrance
- Town & County Liquors
- Burger Inn
- Luxury Diner
- American Storage
- Avenues Pet Clinic
- Los Amigos
- Diamond Horseshoe
- Daylight Donuts (both)
- Quick Draw Optical
- Village Inn-Downtown
- T-Joe's Steakhouse & Saloon

Many, many other locations in the City and Laramie County

In the county ...

- Fred's Place, the A & W, and Wild Horse Restaurant - all in Pine Bluffs
- Panhandle Co-Op and Antelope Truck Stop in Burns