

Spending like drunken councilmen

by **Dave Featherly**

The City of Cheyenne has never before seen anything like it. Never before has there been so much money spent and such an annual increase in spending. Never before has so much subterfuge been practiced to hide the true spending and the true level of allocation of the remaining funds.

Had this administration not inherited about \$30 million in reserves and excess sales tax collections, they could not have practiced the wanton, uncontrolled spending they've shown for four and a half years.

In addition to the \$30 million inherited, this administration has been fortunate enough to receive charitable contributions from the state totaling half that amount.

They will claim that the spending has been for physical facilities such as the depot, depot patio, parking garage, baseball field, community house, etc. There is some truth in that assertion but there is some lie in there also.

On this page, a comparison of payroll spending by department is shown. Readers can judge for themselves whether the excess money has been spent for one-time investments or whether much of it has been spent on recurring costs like payroll.

The mayor supposedly said on a radio program recently that the new parking garage was paying for itself.

If he honestly believes that, God help us all. The box at the right will show just how far from the truth that claim is. Worse, of course, is that anyone believes to the contrary. The parking garage does not now, nor will it ever be able to pay for itself. It will only get worse. If either the DDA or CACVB board of directors decide to use their revenue for what it was intended and terminate the charity to the parking garage, that will exacerbate the problem.

The principal and interest payments on the garage will also grow and make the potential of revenue ever covering costs even more impossible. In the second year of the garage, the monthly parking fee was supposed to be \$40. In the fourth year, it was supposed to be \$50. They dare not raise the fee even a single dollar or more parkers will ignore the facility.

Interestingly, the garage is a drain on reserves even though it was paid for by bond proceeds and that incurred debt for the city. Revenues from the garage were to pay for it but that has not happened - could never and will never happen.

Mineral royalties which otherwise would have gone into the general fund to cover recurring expenses are being used to supplement the meager parking revenue to service the bond indebtedness.

At that, the most staggering increase in spending is in payroll costs.

Payroll costs in the budget for fiscal year

2006 are greater than the entire spending in the budget of fiscal year 2001 - the year inherited by this administration.

And payroll, unlike other discretionary spending items, just keeps giving and giving. Annual increases are layered on earlier increases, bonuses, one-time raises, etc.

Inflation since the time this administration took office in 2001 has been minimal. One "Inflation Calculator" estimates that identical purchases of \$100.00 in 2001 would cost \$111.05 in 2005. Other inflation tables put the figure a bit higher - at about 12.75% increases since 2001 - an average annual inflation rate at most of 2.55% over the past four or five years. Payroll is often used to attempt to buy love from employees. It is here. It never works.

What the table at the lower left shows is that the total annual payroll costs for the City of Cheyenne are \$9,177,873 higher in FY06 than they were in FY01. From payroll costs of \$20,170,070 in the FY01 budget to \$29,347,943 in the most recent budget. \$9.2 million more! That is a staggering increase.

Annualized, that works out to a 7.75% increase in payroll costs for each year since this administration took office. That is unconscionable. And that does not include the professional fees like the attorneys who have to be retained to handle court cases and contract services of \$877,850 in the police department - nor \$520,500 miscellaneous, unidentified expenses, also in the PD. As stated before on these pages, one-time payments from the State are used for recurring payroll.

New Parking Garage Financial Drain

It is a myth that the parking garage on the block surrounded by 16th and 17th Streets and Pioneer and Carey Avenues, which opened a year ago, is coming anywhere near justifying itself financially. Even a person who flunked Accounting 101 can tell differently.

At the time the City lied to residents that existing parkers would provide much, if not most, of the money to pay for the parking garage, they exaggerated the number of **PAYING** parkers they then had. Nonetheless, they claimed as many as 275 were paying to park at the City Center surface lot and another 75 were paying to park at the Heritage lot in front of the depot. That was 350 parkers paying for the privilege of having a parking decal - all never parked in the lots at the same time. In the FY2006 budget, the City projected that 359 will pay to park in the new garage. There are also cancellable contracts from the Downtown Development Authority (175 spaces) and the Cheyenne Area Convention and Visitor's Bureau (100 spaces) to donate about \$117,000 annually toward the underused garage.

To sell the new bonds required retiring the old ones on the Cox Garage. The reason being that the federal mineral royalties received by the city had to be pledged to bondholders and they were already pledged to the Cox Garage.

The consolidated debt now requires about \$480,000 - \$500,000 in principal and interest payments annually. Almost all, of course, is for interest. The bonds are back-ended loaded and the large payments come later. In the FY2006 budget, the projections call for about \$355,000 in revenue from both the Cox and the new garage. How \$355,000 covers the half million debt payment is anyone's guess. It also does not cover the \$300,000 or so in operating costs of the parking division.

Here is the bottom line:

Revenue (from FY06 Budget) for "parking" in the new garage	\$267,875
Public Revenue being recycled to help the new garage financially (DDA / CACVB) - non-parkers	\$117,000
Revenue from parkers who were already paying to park on the two surface lots - 350	-\$122,500
Net Revenue Gain from new parking garage for parking	\$ 28,375
Less: Bond Principal and Interest payments annually for the new parking garage	~\$450,000
Approximate Net Annual (Loss) for the new parking garage	(\$421,625)

Loss does not include maintenance, operations, utilities, insurance, etc. for new garage nor the recurring employee costs - another ~\$350,000.

PAYROLL COSTS by Department

	FY2006 Budget	FY2001 Budget	\$ Change	% Change
City Council	\$ 226,598	\$ 160,240	+\$ 66,358	+41.4%
Mayor	\$1,655,786	\$1,200,025	+\$ 455,761	+38.0%
Clerk	\$1,159,548*	\$ 870,091	+\$ 289,457	+33.3%
Public Works	\$6,502,898	\$4,690,851	+\$1,812,047	+38.6%
Police	\$6,940,891**	\$4,980,431	+\$1,960,460	+39.4%
Fire	\$6,540,990	\$4,244,428***	+\$2,296,562	+54.1%
Parks & Rec	\$3,619,073	\$2,384,341	+\$1,234,732	+51.8%
Treasurer	\$ 433,342	\$ 409,632	+\$ 23,710	+ 5.8%
Planning & Development	\$2,268,817	\$1,230,031	+\$1,038,786	+84.5%
TOTAL PAYROLL	\$29,347,943	\$20,170,070	+\$9,177,873	+45.5%

* Less Risk Management ** Nothing for Communications (\$345,700 in FY01), Contract Services \$877,850, Misc. \$520,500 (\$24,500 in FY01) *** EMS \$82,295

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