

COUNCIL PROCEEDINGS

City/County/Town of Wright

December 2, 2015

5:30 p.m.

A meeting of the City Council of the City of Gillette, County of Campbell, State of Wyoming, was held on Wednesday the 2nd day of December 2015, at the Town Hall Council Chambers, Town of Wright, pursuant to due notice and call. The Presiding Officer called the meeting to order and upon roll call the following were found to be present:

Council Members present: Ted Jerred, Robin Kuntz, Kevin McGrath, Billy Montgomery, Dan Barks, Tim Carsrud, and Mayor Carter-King.

Staff present: J. Carter Napier, City Administrator; Charlie Anderson, City Attorney; and Karlene Abelseth, City Clerk.

County Commissioners present: Mark Christensen, Garry Becker, and Chairman Matt Avery.

County Staff present: Carol Seeger and Susan Saunders.

Town of Wright present: Mayor Kingan, Nelson Litba, Lori Gilbertson, Danny Preston, and Glen Holt.

Town of Wright staff members present: Brandi Harlow, Lyle Murdock, Rick Erb, and Barbara Craig.

Mayor Kingan began the meeting with introductions.

Wright Community Center Update

Building Official Murdock gave an update on the Wright Community Center.

Joint Powers Agreement

Chairman Avery began by saying that every two years the Joint Powers Agreement is reviewed to see if adjustments are needed. Mr. Avery feels there is a need to adjust the operations, and would like to see the City's portion increased. Mayor Carter-King asked what the Commissioners had in mind. Commissioner Christensen stated that, currently, the County is at 79%, the City is at 20% and the Town of Wright is at 1%; over time, the County would like to get down to 50%. He added that revenues are about the same and feels the agreement needs to be reviewed. The Commissioners, at this time, didn't feel as if the Town of Wright's percentage would increase.

Post Office

Mayor Kingan thanked the Commissioners for writing a letter of support for the Post Office. Brandi Harlow gave background information regarding the contract carrier who had given her notice.

Quarterly Meetings/Semi-Monthly Meetings

Discussion took place regarding the need for either quarterly meetings or semi-monthly meetings. After some discussion, it was the consensus of the group to maintain quarterly meetings, in the evenings, to keep the line of communications open.

Lodging Tax

City Administrator Napier began by giving background information regarding the lodging tax program and discussions that took place. Out of those discussions, a draft agreement was distributed, and the City of Gillette passed a version of that agreement. The County passed a version of that agreement as well, however, changed some of the language in the agreement that the City passed. The Town of Wright passed the agreement that the County had revised. At this point in time there is an agreement signed, but not adopted by the three entities, and he is speaking specifically of the City of Gillette. The City's version of the agreement changed when it left to go to the Town of Wright. The City has not re-visited the agreement in its revised form. An idea was proposed that the three entities pass their own agreement and evaluate their 10% share and how it would be used in their respective agreements. He added that he has not had time to discuss this with the City Council, but stated if the three entities could agree, at least conceptually on how to move forward from here, then the benefit of the statutorily allowed 10% program could be seen. For the City of Gillette that could mean putting away dollars for the eventual construction of a new Visitor's Center in Gillette. Mayor Kingan and Councilman Holt both stated that they understood all entities had come to an agreement, and were not aware that the agreement had changed. Mayor Kingan asked the group if they would be in agreement of using the 10% to build the Visitor's Center, as this was the initial idea. Discussion of where to construct the Visitor's Center took place. Brandi Harlow stated, from the Lodging Tax Board's perspective, they feel strongly that Gillette needs a Visitor's Center and the Board is seeking direction on how to fund the facility. Ms. Harlow stated she is also seeking clarification regarding the statutes and how the 10% can be used. The Board would like to use the Lodging Tax dollars to lease a building, as they cannot own a building. City Attorney Anderson stated, we agree the Board can own a building; the statute states they cannot use Lodging Tax receipts to finance the construction. There is disagreement in the Lodging Tax operation community over what the uses of the 90% can possibly be. The statute does not explicitly say the 90% can be used for anything other than specific promotional kinds of activities. Deputy County Attorney Seeger agrees that the Lodging Tax statutes are less than clear. Although they don't specifically say that you can use some of the 90% for operational costs, her opinion is, it is inherent that some of the 90% would need to be used for operational costs. After further discussion, Mayor Carter-King asked what could be done to make the statute clearer regarding the Lodging Tax. City Attorney Anderson suggested that contact could be made to the Legislatures, asking to revise the statute, making operational expenses part of the 90%. After further discussion, Councilman Barks asked for an explanation to the issue of taking the 10% to build the building. Mr. Napier explained that if indeed Council is willing to un-write some costs to constructing the building and being paid back by the proceeds of the lodging tax, the question becomes critical for the City if those dollars cannot be used in a lease form to reimburse the cost of construction. The City Council does not have a revenue stream, if you will, to offset the costs of that construction over time. The problem with only relying upon the 10% dollars, is that it only amounts to \$50,000 to \$70,000 in a year. If financing \$1,500,000 to \$2,000,000, then \$50,000 a year will take quite a bit of time to reimburse the Council, if those dollars can be used for that purpose. Councilman Barks then asked if this agreement would have been signed when discussed six months ago, where would it be today? Commissioner Christensen stated that he was Chairperson when this was brought up over 12 months ago and was in the previous fiscal year. That was the year the numbers were insane. Councilman Barks stated that the concern is spending the 90%. Had we made this agreement a year ago, how would we have dealt with that question? City Administrator Napier stated that basically the outcome

would be that we would have cash in the bank, collecting and accruing through the 10% program. Councilman Barks asked is there no collection of the 10% going into a pot right now? Councilman Litaba asked if the statutes are not clear, then should clarification be obtained prior to moving forward. Deputy County Attorney Seeger stated that she would prefer the Board wait until it is clear how they can, or cannot, spend the tax dollars. She doesn't feel comfortable with money being stashed without an agreement of how and when the money can be used. Discussion regarding ownership and location of the building took place. Ms. Harlow asked if the City Council or County Commissioners would be interested, as a return of investment, in possibly leasing the building, similar to other public facilities. City Administrator Napier clarified that the ROI (return of investment) concept he was addressing, was the City's ability to get the money back in terms of what was spent to build the facility, not necessarily in an investment. Councilman Kuntz asked if the Commissioners have discussed, or are interested in possibly sharing costs. Chairman Avery stated that the Commissioners are interested in seeing this happen; however, it would depend on the location. If the facility is located in the county, then the Commissioners would furnish the property. Commissioner Christensen stated that the County is currently trying to put some land together, which will cost approximately \$500,000. The Commissioners are hopeful that if they provide the land, then the City would take it from there. Councilman Kuntz asked if the Commissioners would be interested in a 50/50 split. Chairman Avery stated if the land would be part of the 50/50 split. Councilman Barks asked is this the primary reason the County does not want the clause that the facility has to be in the city limits. Do the Commissioners have another idea for a piece of land that would work in the county for the facility? Commissioner Christensen referred to the Study that stated the facility should be located on the way into town; the prime exit is at Cam-Plex, which is in the county, which could be contiguous. He added, if not located there, then the next best location would be at Wyodak. He feels that if the facility is located past Garner Lake Road, then there is a possibility of visitors continuing on, without stopping. He went on to say that he feels it would be best if the facility is contiguous in order to have city water and sewer. Mayor Kingan asked if someone was going to speak to the legislatures regarding the lodging tax. Deputy County Attorney Seeger offered to make an attempt. Councilman Jerred stated that he would like to know how other communities around Wyoming are handling this issue. City Administrator Napier stated, what is being discussed tonight is tangential to the question that has yet to be answered, and that is, what is holding us back from starting the 10% pot. From what he can tell, the 10% pot is probably an easier question than what can be done with the remaining 90%. Mr. Napier is hopeful to move forward, get the pot started for the 10% so there is not further opportunity costs that have already been lost, and have that 10% start accruing. There was discussion regarding the agreement that had already been signed, and the changes. City Administrator Napier stated the reality is, no agreement is needed to begin the 10% program. What he is asking is can the three entities agree to begin the 10% program, and worry how to spend the 90% moving this point forward. Commissioner Becker agreed and went on to say they are two different issues. He added that we shouldn't be bogged down with the 90% and should go ahead with the 10%. The group was in agreement. Councilman Barks asked if the Board can make a motion to put the 10% into a pot. City Administrator confirmed that was the case, particularly if they feel the three entities are directing them to do so. Councilman Barks asked if this was a meeting where those decisions could be made and record kept of that decision. Commissioner Christensen stated they cannot hold the money because they cannot construct capital, the decision has to be made by the entities to withhold that money as a cost. Mayor Carter-King asked

what the memorandum of understanding was for. Commissioner Christensen feels it was so that everyone could agree to hold the 10%. The question of who was going to hold the money was asked. City Administrator Napier stated that the agreement contemplated more than simply diverting money. It contemplated keeping the money inviolate, basically, except for capital construction. It also contemplated how the ownership of the facility was going to work out, as well; the agreement was more than just simply initiating the program. Commissioner Christensen commented that he felt Mr. Napier was headed in the right direction. He added that he feels the only issue that needs to be worked out is the small difference in the language. Ms. Harlow stated, how she understands the process, is the money goes to the County where the 10% is taken out and distributed to the three entities. Then if the entities want to turn it back to the Lodging Tax Board to hold in a fund, then can do so. Mr. Napier added, the reality is, those dollars can be used by the respective entity to deal with the impact visitors have on their community. That is why he felt it was important to discuss the nature and purpose that those dollars would be used for so that future Councils and Commissioners would not view it differently and would have to defer to the language in the agreement. Mr. Napier stated, if everyone is in agreement that the 10% is appropriate to be used for a savings account, if you will, for construction of a Visitor's Center in Gillette, let's operate from that notion and re-address the revisions to see if the City and County would be comfortable with those revisions and bring them back to the Wright Town Council. Commissioner Christensen provided an option as a revision regarding the location of the facility, and such location be annexed into the City if possible. If not, the land is annexed when it can be. Councilman Kuntz stated he doesn't see this happening right away as the City cannot bear the cost of this due to revenues and the current economy. Councilman Barks suggested that Ms. Harlow obtain a copy of the minutes for future reference. Further discussion of the agreement took place. After the discussion, it was the consensus of the group to move forward and prepare language that can be agreed upon.

General Discussion - Visioning Meeting

The group discussed the Visioning Meeting and it was decided that the Town of Wright would host the meeting. No date was decided upon.

Discussion of vehicle licensing in Wright took place. Chairman Avery stated that he heard it was working out great.

Adjournment

There being no further discussion, the meeting adjourned at 7:00 p.m.

Louise Carter-King, Mayor

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ATTEST:

Karlene Abelseth, City Clerk
Publication: December 10, 2015