

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

City Council met in special session on May 11, 2021. Mayor Timothy A. Kaumo called the meeting to order at 5:30 p.m. Members present included Councilors Rob Zotti, Jeannie Demas, David Halter, Brent Bettolo, Keaton West, and Larry Hickerson. Councilor Tim Robinson and Tim Savage were absent from the meeting. Department Heads present included Rick Beckwith, Paul Kauchich, Dave Lansang, and Matthew L. McBurnett. The pledge of allegiance was recited.

Mayor Kaumo made welcoming comments.

## **SPECIFIC PURPOSE TAX DISCUSSION**

### **Recap 2020 project list**

Mayor Kaumo stated that the discussion will be for planning possible sixth penny projects. Representative Clark Stith is present for the meeting. The meeting will be turned over to Councilor West as the specific purpose tax liaison. Councilor West thanked everyone for attending, and stated that the project list will be revisited this evening. The plan is to have another initiative for the 2022 ballot. The Sweetwater Board of County Commissioners will be gathering together at their next meeting to discuss the cap for the upcoming tax. Much can change from year to year, so that is why Rock Springs is revisiting its list. When the effort was suspended last year, the total amount for Rock Springs sat at \$29,360,000, and the cap was set at \$80 million for the County as a whole. The two sponsorships put the City's request over and an additional amount was awarded to meet the needs for the sponsorship requests. At this time, the Airport will not need sponsorship funding. Paul Kauchich, Director of Engineering/Operations & Public Services, stated that amounts have been adjusted from last year's request to reflect fluctuating construction material costs. The Water Reclamation facility has been increased from \$4 million to \$4.5 million, as well as the Northeast Rock Springs Detention Basin being increased from \$2.5 million to \$3 million. Mayor Kaumo stated that he understands inflation. He asked if Mr. Kauchich is still comfortable with last year's list as it stands, or if there are higher priorities present. Mr. Kauchich stated that, as staff, they feel that these still stand as priority projects for the City. Should more funding be awarded, additional work on the Bitter Creek would also be a priority to get going on Segment 2. With Segment 2, funding will not be available until April of 2023, distributed by April of 2024. The amount for Segment 2 would be \$19 million, but also, the segments could be broken up into smaller chunks if funding were available from the specific purpose tax. Infrastructure including odor control at the Water Reclamation Facility and flood concerns continue to be a high priority. Mayor Kaumo stated, considering the issue with other detention basins, that Killpecker drainage is also an issue and asked whether Mr. Kauchich thinks that Killpecker should be added to the detention portion of the project list. Amounts have been established for Killpecker detention basins, but Mr. Kauchich does not have that information currently. Mr. Kauchich added that there is only so much that can be done with the funding, and he agrees that Killpecker is an issue, but priorities must be established. If Killpecker is a priority of the Council, Mr. Kauchich can get numbers tomorrow for it. Mayor Kaumo stated that he feels it should at least be on the list at this point, because he believes that this will continue to remove businesses from the flood plain. Councilor Halter stated that he believes both detention basin projects are important and should be on the list. Details about the Killpecker detention basin project were discussed. Councilor West stated that last year's project list still stands along with waiting for numbers to come through on the Killpecker Detention Basin project. Mayor Kaumo stated that he has an additional request from Parks & Recreation regarding upgrades to recreation facilities, as most of them are aging.

Critical maintenance has been performed for many years due to budget constraints, but Mayor Kaumo is afraid that if some of these issues are not addressed on a larger scale soon, future City leaders will need to deal with them. Putting these upgrades on the list will also be helpful, and going back to the list to choose priorities once an amount is established by the County Commissioners will be a good start. Decisions must be made and prioritized but these are important to recreation. Councilor Zotti stated that he appreciates the list that came from Dave Lansang, Director of Parks & Recreation, and asked what the top five would be if he needed to choose. Mr. Lansang stated that he would need to revisit the list to establish the top five. The last capital project improvements in Parks & Recreation were done back in 2007 – 2009. The magnitude is shown here for the City to decide what is important regarding many different areas in Parks & Recreation such as the chiller in the Ice Arena. He added that he thinks the footprint must be managed differently, either with more funding or less property to manage. He is trying to make sure that everyone understands where Parks & Recreation has been since 2009 with no extra funding awarded. Councilor Zotti stated that a running list should always be kept for things that are needed and the status of facilities and the needs within each department, not only for specific purpose tax but for budget purposes as well. Specific items in the list were discussed such as the Ice Arena and the Golf Course irrigation system. Other communities are replacing systems much more often than Rock Springs has done. Councilor Zotti asked for specifics regarding the irrigation system and why it would need to be replaced as opposed to maintenance being done on it like the City's main water system. Mr. Lansang stated that technology is the issue here. Mayor Kaumo asked Mr. Lansang to provide clarification on water well rebuilds. Details regarding the well equipment were discussed. A long time has passed since any of the wells have been replaced, which provide water for the entire facility. For the time being, Mayor Kaumo recommends stating Parks & Recreation requests, and then waiting for specifics to come back from Mr. Lansang. Councilor West stated that he also appreciates the list, but that it would have been nice to have it during last year's discussions. It all depends on the County Commissioners established cap amount, and whether the municipalities will be in agreement with that cap amount, or the length of the tax.

Representative Stith added that leverage is an issue, leveraging the Killpecker Creek project with State or federal funds would help greatly. If the City could commit to a 25% local match, it would be easier to sell to the legislature to get help with this project. Sixth penny dollars could be stretched if this strategy is followed. He added that Killpecker Creek is not incredibly expensive, and has resulted in two floods in the past two years. The special session in July could be successful in removing some of the cost of these projects, depending on priority. With local communities having some skin in the game with a local match, chances are better to get State funding.

### **Length of next tax initiative**

Much discussion took place about the cap last year. Presently, \$80 million would take 5.5 years to obtain. How long is too long and what does this Council feel comfortable with. It takes all of us to pass this tax and the City of Rock Springs is a big influence because they carry the largest population. 4.5 to 5 year range seems to be what the Council is most comfortable with. Councilor Zotti stated that 6 years seems to be the most he would be most comfortable with, as different interests come up between now and the end of that tax. Mayor Kaumo stated that the tax is a very valuable tool for communities, but the length being too long can be detrimental. Some communities ask for considerable amounts, even more than the City of Rock Springs, who has 53% of the population. A cap should be assigned to communities to reign in the total specific purpose tax amount. He agrees with Councilor Zotti that the 5-6 year range is plenty, and he'd like to see what the cap assigned by the County Commissioners turns out to be, and then go through the list and prioritize further. Councilor West added that committee meetings have also shown similar sentiments regarding the tax going too long.

### **Establish priority projects**

Councilor West asked about the priority projects, including the Parks & Recreation list recently added. Mr. Kauchich stated that late last year, the FEMA project estimate for Killpecker Creek amounted to \$5.2 million. Councilor Bettolo stated that as far as Parks & Recreation goes, he'd like to see what Parks & Recreation comes back with as a top five or ten priorities and see how they combine with the rest of the list. Total request including all of Parks & Recreation adds up to \$43.1 million. Mayor Kaumo stated that the cap is discussed to be around \$80 million currently. Councilor West stated that the purpose of tonight is to establish where Rock Springs stands with the specific purpose tax, as he has had the question come up in committee meetings.

### **Rank priority projects by importance**

Ranking priority projects depends heavily on the cap presented by the County Commissioners. Councilor Halter stated that he believes that the cap is needed by the County Commissioners to rank projects in order of priority. The Governing Body agreed that a 5 to 6 year range for the tax is ideal.

### **Outside agency projects**

Heather Anderson, proponent for the Multi-Use Facility from last year, stated that this request will be withdrawn for the Multi-Use Facility, but would like to support the Parks & Recreation request for funding, as all of the equipment is aging. People do not move to Rock Springs for the detention ponds in town, they move here for the quality of life. Some type of rec proponent must be present for this tax. All facilities are aging, are highly used, and are important to the citizens of Rock Springs.

Councilor West stated that the YWCA was not invited to this meeting but asked if anyone knew the status of their sponsorship request. Mayor Kaumo stated that he and Rick Beckwith, City Attorney, discussed the project with them recently, but the land being owned by the City complicates things. They would like to continue with this project request. Councilor West stated that he is not comfortable with this project sponsorship, considering that the building would be given to the YWCA eventually. He would only be in support if the City is up front in letting the public know the City intends to sell the facility to the YWCA, whether that's before or after the tax. Mr. Beckwith stated that with the YWCA provides valuable community services, so a reduced amount could be offered to the YWCA for ownership of the building. The services they provide would mean that the sale of the building would not need to be sent out to bid. Mr. Beckwith stated that it is up to the taxpayers to decide whether they want their tax dollars to go toward a project such as this one. If this project is a priority for them, they can choose to do that. If the City owns it, it is more likely that taxpayers would feel better about voting to approve that project as part of the tax. The plan in the future should be disclosed for this project.

### **Bonding**

Representative Stith stated that bonding is great if the funding is needed immediately, as well as providing inflation protection. The 2012 initiative on the ballot resulted in \$50 million and sat there for years, earning 0.001%. Most projects were not constructed quickly. Bonding cost was approximately \$6 million, which could have been used toward another project. It would be administratively more difficult on the County Treasurer without bonding, but bonding can be inefficient. The spread was unfavorable to the City of Rock Springs. If a project needs to get done very quickly, bonding makes sense.

Councilor Zotti stated that some projects will be ready to go and will be too expensive and will take a while to collect, so he asked whether half of the amount could be bonded. Mayor Kaumo stated that he believes the opportunity is there to collect on certain projects and then bond on others. Councilor Zotti asked about matching funds regarding the Killpecker project or others, and how that would look on the ballot. Representative Stith stated that the State would make its decision first, so the funding would be locked in

prior to the tax going on the ballot. Cheyenne recently proposed a grant match for \$3 million, to set aside for future projects. The Wyoming Supreme Court stated that if the ballot passes for a certain project, that project must be done.

Councilor Halter asked Mr. Lansang about priorities regarding lighting to be replaced to LED, and asked for what future savings would be realized for the long term would help with establishing priorities. Mr. Lansang will look into these statistics and let the Council know.

When the tax starts to come through the pipeline, the time comes where the projects were funded and the pipeline shuts off. Additional funds could be used for other projects and not just the specific projects listed. If the projects are done, that funding could be used for something different. Representative Stith stated that the purpose of the bill that did pass was to allow the City of Rock Springs to use excess collected tax funds from the 2013 Specific Purpose Tax for a different project. In 2013 a Resolution passed from the City of Rock Springs did not specifically state what overages would be used for, which opened the funds up for different spending. Mr. Beckwith stated that the Resolution mentioned here refers to an exhibit that was to be incorporated into the Resolution, but was not. This resulted in the funding becoming available for entities to spend as they wish, because the exhibit was not included. Councilor West fears that if this is done again that the trust of the voters would be compromised. Mayor Kaumo stated that generating support and confidence in our voters is important. Transparency is key.

Councilor West stated that he was not a proponent of bonding last year, as projects are usually not ready to be completed right away. Councilor Halter stated that with our share of the projects being considerably less, which he stated that he would be against bonding at this point and that money from the bonding process could go toward something important such as the YWCA. Matthew L. McBurnett, City Clerk, stated that estimated bonding costs resulted in \$4,475,853.14 in 2014. He added that 40% of the funding was drawn in the first year.

Councilor West stated that he appreciates everyone's time and efforts and has some good information to bring back to the committee to let everyone know where the City of Rock Springs stands. Mayor Kaumo stated that we will wait to hear from the County Commissioners regarding a cap to establish how we move forward in identifying projects and their rank on the list.

Mr. Kauchich asked whether there has been any discussion regarding how the ballot will be presented. There was discussion last year regarding a split ballot for infrastructure and recreation. Regarding bonding, he asked if there is an ability to pull a portion of the projects for designing them or to cover engineering costs, and then wait for the construction portion of it until the money comes in. Mayor Kaumo stated that the County has indicated that separating the ballots between infrastructure and recreation, and he does not see why, if it was not bonded, we could not look at an amendment to get design started for some of the projects requiring that. If not, the projects would be delayed further and the problem with that is that project and material costs are affected, and that these costs always go up and never down. If the City knows the money is guaranteed to be coming in, resources must be pooled together and discussions must be had regarding meeting deadlines and obtaining funding necessary to get projects done in a timely manner. Councilor West will research this question and find out. He is not sure of the ballot separation currently. Mayor Kaumo added that he hopes that other communities are doing their planning as well, and that next week we can obtain some clarification from the Board of County Commissioners.

## **ADJOURNMENT**

There being no further business, the meeting adjourned at 6:44 p.m.

ATTEST:

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City Clerk

By:

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Council President

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Mayor