

1 **Work Session, Douglas City Council**
2 **July 2, 2019**

3 A Work Session of the Douglas City Council was held on Tuesday, July 2, 2019 at 3:00 p.m. in
4 the Conference Room, 101 N. 4th Street, Douglas, Wyoming. Mayor Kemper called the meeting to
5 order. Those present were:

6 **Mayor and Council:** Rene' Kemper, Mayor; Councilmembers Monty Gilbreath, Kim Pexton, and
7 Karl E. Hertz

8 **Others Present:** Jonathan Teichert, City Administrator; Mary Nicol, City Treasurer;
9 Karen Rimmer, City Clerk; John Harbarger, Public Works Director;
10 Clara Chaffin, Community Development Director; Robert Short and Jim
11 Willox, County Commissioners; Colleen Murdoch, Community
12 Relations/Peabody Energy

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14 Administrator Teichert provided a history of the decision to engage with Amundsen & Associates
15 for the remodel of City Hall as well as an overview of the options and costs of remodeling
16 based upon the design and figures provided by Amundsen & Associates, which are \$4.8 million to
17 remodel in one phase or \$5.2 million to remodel as a phased project. Other options were
18 considered, including taking no action; demolishing and rebuilding at the current site; or
19 selling the building/property and moving to another site. With this option, the City could
20 renovate an existing city-owned building (e.g. Old City Hall, Boys & Girls Club building) or
21 could build a new facility on city-owned property (e.g. property next to Old City Hall; city-
22 owned parking lot downtown). There was discussion of the hospital's potential interest in
23 purchasing City Hall due to the visible location, proximity of the building to the hospital
24 (within 250 yards of the hospital), and parking opportunities. The current cost of new
25 construction is approximately \$310 per square foot; building a new 8,400 square foot facility
26 would cost approximately \$2.8 million, almost half the cost of remodeling. If no action is
27 taken, the current facility must be made secure. Leasing out part of the current space at City
28 Hall was discussed; this would require some work to the building in order to provide separate
29 access and security for all occupants. The County building and anticipated uses were also
30 discussed, as were other city-owned properties and other potential locations. All concurred
31 that City Hall needs to remain in the downtown area. All further concurred that moving forward
32 with the remodel is not a viable option due to costs. Council gave direction for staff to
33 determine the appraised value of City Hall and to bring forward an amendment to the contract
34 with Amundsen which would include design of a newly constructed site on South 3rd Street next

35 to Old City Hall. Next, Ms. Colleen Murdoch of Peabody Energy provided an overview of the
36 Joint Venture between Peabody Energy Corporation and Arch Coal, Inc., 66.5% and 33.5%
37 ownership respectively and includes seven mines between Wyoming and Colorado, the largest of
38 which is Antelope Rochelle. There are seven miles of common permit areas between Peabody and
39 Arch; the Joint Venture will allow both companies to save costs and be more competitive. Based
40 on values and reserves, Peabody would operate all mines; they own the most productive coal
41 mine in the United States, if not the world. The Joint Venture must still be approved by
42 either the Federal Trade Commission or the Dept. of Justice. They will not raise prices and
43 the Venture will take several months to complete. Ms. Murdoch answered questions regarding the
44 decision not to buy Cloud Peak Energy, which is due to no cash or debt involved in the Joint
45 Venture with Arch Coal, as well as the benefits that the other mines owned by Arch bring to
46 the Venture (e.g. niche market thermal mines, available ports). She added that the intention
47 is not to reduce their workforce and that any impact should be minimal; synergies have been
48 developed but not with employee reduction in mind. All seven mines employ approximately 3,300
49 people. Renewable energy was talked about as was the lack of developed technology such as
50 large-scale battery storage. The Black Jewel mine closure in Gillette was also discussed, and
51 the potential for them to continue to find funding for the Chapter 11 Bankruptcy, which would
52 allow them to bring employees back to work. All concur this is a difficult time for these
53 families and the impacts will be felt across the state. Following final comments and
54 questions, all in attendance thanked Ms. Murdoch for meeting with them; she stated more
55 information can be found on Peabody Energy's website at www.peabodyenergy.com . The Work
56 Session was adjourned at 4:30 p.m. **No Council action was taken.**

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Karen Rimmer, City Clerk