



**City of Black Hawk
City Council**

August 9, 2017

MEETING MINUTES

New Employee, Accountant Leslie Hall, rang the bell.

1. **CALL TO ORDER:** The meeting of the City Council was called to order, after the tour of Chase Gulch, on Wednesday, August 9, 2017, at 2:10 p.m. by Mayor Spellman.

2. **ROLL CALL:** Present were: Mayor Spellman, Aldermen Armbricht, Bennett, Johnson, Midcap, Moates, and Torres.

Staff present: City Attorney Hoffmann, City Manager Lewis, Police Chief Cole, City Clerk/Administrative Services Director Greiner, Finance Director Hillis, Public Works Director Isbester, Community Planning and Development Administrator Linker, Fire Chief Taylor, and Deputy City Clerk Martin.

PLEDGE OF ALLEGIANCE: Mayor Spellman led the meeting in the recitation of the Pledge of Allegiance.

3. **AGENDA CHANGES:** Mayor Spellman suggested Council go into Executive Session after agenda item #5, due to the 3:00 p.m. time listed on the agenda. Deputy City Clerk Martin confirmed there were no other agenda changes.

4. **CONFLICTS OF INTEREST:** City Attorney Hoffmann asked Council to declare any Conflicts of Interest on any issue appearing on the agenda this afternoon other than those previous disclosures and conflicts that have already been disclosed and are on file with the City Clerk and Secretary of State. There were no conflicts noted from City Council.

City Attorney Hoffmann asked the audience if there were any objections to any member of Council voting on any issue on the agenda this afternoon. The audience had no objections.

5. INTRODUCTION OF
NEW EMPLOYEE:

Leslie Hall, Accountant

Finance Director Hillis introduced the City's new accountant Leslie Hall. He said she is from Evergreen and has stepped right into the position and is doing a great job. It was noted that she went to the same high school as City Manager Lewis – Palmer High School in Colorado Springs. She was warmly welcomed.

At this time Council adjourned into Executive Session:

EXECUTIVE
SESSION:

City Attorney Hoffmann recommended item number 2 for Executive Session for specific legal issues related to expenditure of preservation and restoration funds and pending litigation.

**MOTION TO
ADJOURN INTO
EXECUTIVE
SESSION**

Alderman Bennett **MOVED** and was **SECONDED** by Alderman Johnson to adjourn into Executive Session at 2:11 p.m. to hold a conference with the City's attorney to receive legal advice on specific legal questions, pursuant to C.R.S. § 24-6-402(4)(b).

MOTION PASSED

There was no discussion and the motion **PASSED** unanimously.

**MOTION TO
ADJOURN**

Alderman Bennett **MOVED** and was **SECONDED** by Alderman Armbright to adjourn the Executive Session at 2:50 p.m.

MOTION PASSED

There was no discussion and the motion **PASSED** unanimously.

The open regular meeting resumed at 3:00 p.m. Mayor Spellman explained to those present that Council had toured the Quartz Valley/Chase Gulch area at 1:00 p.m. and upon their early return decided to go into Executive Session prior to the meeting start time of 3:00 p.m. He then went on to acknowledge Street Superintendent Mike Schaller and his Public Works crew for having done an excellent job on the clean-up of the Quartz Valley/Chase Gulch area.

6. PUBLIC COMMENTS: Deputy City Clerk Martin confirmed that no one had signed up to speak.

7. APPROVAL OF
MINUTES: July 26, 2017

MOTION TO APPROVE Alderman Bennett **MOVED** and was **SECONDED** by Alderman Armbright to approve the Minutes as presented.

MOTION PASSED There was no discussion and the motion passed unanimously.

8. PUBLIC HEARINGS:

A. CB14-2017, Rehearing of an Ordinance Amending Section 16-67 of the Black Hawk Municipal Code Regarding the Requirement to Connect to the Municipal Water System

Mayor Spellman read the title and opened the public hearing.

City Attorney Hoffmann introduced this item. He said this was a rehearing, as the public hearing notice was published for today's date; staff had inadvertently put this item on the July 26 agenda. He confirmed that nothing has changed in the Ordinance.

PUBLIC HEARING: Mayor Spellman declared a Public Hearing on CB14, the rehearing of an Ordinance amending Section 16-67 of the Black Hawk Municipal Code regarding the requirement to connect to the Municipal Water System open and invited anyone wanting to address the Board either "for" or "against" the proposed ordinance to come forward.

No one came forward to speak and Mayor Spellman declared the Public Hearing closed.

MOTION TO APPROVE Alderman Moates **MOVED** and was **SECONDED** by Alderman Torres to approve CB14, the rehearing of an Ordinance amending Section 16-67 of the Black Hawk Municipal Code regarding the requirement to connect to the Municipal Water System.

MOTION PASSED There was no discussion and the motion **PASSED** unanimously.

B. CB18-2017, An Ordinance Calling a November 7, 2017 Special Election to be Conducted as an Independent Polling Place Election Pursuant to the Colorado Municipal Election Code, Submitting a Ballot Question and Setting the Ballot Title Therefor

Mayor Spellman read the title and opened the public hearing.

City Attorney Hoffmann introduced this item which calls for a Special Election to take place on November 7, 2017 as a Polling Place Election and to place a ballot question on its ballot. He said at the July 26 meeting, Council approved an Intergovernmental Agreement (IGA) with the County of Gilpin to coordinate the mailing of the TABOR notice, as per the Colorado Constitution, other than that coordination the City will conduct the election independently. He stated, that if approved by the voters, this would create a new category of Occupational Tax, or Device Tax, calculated at four times the current rate for live table games.

PUBLIC HEARING:

Mayor Spellman declared a Public Hearing on CB18, an Ordinance calling a November 7, 2017 Special Election to be conducted as an independent Polling Place Election pursuant to the Colorado Municipal Election Code, submitting a Ballot Question and setting the Ballot Title therefor open and invited anyone wanting to address the Board either “for” or “against” the proposed ordinance to come forward.

No one came forward to speak and Mayor Spellman declared the Public Hearing closed.

Mayor Spellman provided additional background that went into this proposal. He said that Council was originally leaning towards five times the current rate and that is what he presented at a Business Improvement District (BID) meeting. The Mayor stated after discussing with BID members, Council then considered additional information and compromised to the four times amount proposed.

Alderman Bennett stated Council had determined that five times the current device tax was a reasonable level of tax on live games given the fact that there are more than five gaming stations at each of the live games, for example six on Black Jack; nine on Poker; ten on Roulette; and 12 on Craps. He went on to say that City Council wants to make it clear that the BID Marketing Program must remain in place as per their amended IGA and that if the BID terminates the Marketing Program, then Council will make it a policy to collect the Lodging Tax on complimentary rooms beginning in 2018.

Mayor Spellman added that this tax was contemplated a year ago when Council amended the Marketing IGA with the BID. He said the IGA states that Council could not increase device fees on slot machines for two years, but it was understood that the tax on live games would be increased. He further elaborated on the data provided the City has 7,081 slot machines today, but in 2007 the City had a high of 10,168 devices, which was prior to Amendment 50 and the addition of Craps and Roulette, which were not allowed in 2007. The Mayor’s point was to emphasize the considerable drop in the number of devices since the passing of Amendment 50 and the addition of Craps and Roulette. Two

of the reasons for the drop in the total number of devices is because table games take up more space in the facilities and right sizing for their customer base. Also, when casinos look at revenues generated, as well as their overall tax burden, they assess per gaming station as Alderman Bennett previously described. The Mayor noted that the City has never taken an aggressive tax position, but there are reasonable and appropriate levels of taxation that will help achieve City projects, such as Maryland Mountain Open Space and Gregory Street improvements, which are a reinvestment back into the City and will bring more visitors into the City of Black Hawk. To further demonstrate that a 300% tax increase is warranted on these live games, the Mayor stated the casinos have represented that revenues from their live table game have increased over 300% (when referring to non-taxation on free play) since Amendment 50. This is exactly the increase the City is proposing for in device taxes for live games. The Mayor provided the breakdown of the proposed four times the device fee increase as approximately \$11.50 per day, per live game. The current the rate is \$2.87 per day, per live game, which results in an increase of \$8.61 per day which Council feels is not very substantial.

Mayor Spellman noted that three General Managers submitted letters voicing their concerns, but City Council unanimously feels they have ample support and sound reason to increase the tax, if voter approved, to four times the device fees and have made a reasonable compromise from the five times first considered.

MOTION TO APPROVE

Alderman Johnson **MOVED** and was **SECONDED** by Alderman Bennett to approve CB18, an Ordinance calling a November 7, 2017 Special Election to be conducted as an independent Polling Place Election pursuant to the Colorado Municipal Election Code, submitting a Ballot Question and setting the Ballot Title therefor.

MOTION PASSED

There was no discussion and the motion **PASSED** unanimously.

9. ACTION ITEMS:

None

10. CITY MANAGER REPORTS:

City Manager Lewis had nothing to report.

11. CITY ATTORNEY:

City Attorney Hoffmann had nothing to report.

12. EXECUTIVE SESSION: Already held after Agenda Item #5.

13. ADJOURNMENT: Mayor Spellman declared the Regular Meeting of the City Council closed at 3:10 p.m.



Melissa A. Greiner
City Clerk



David D. Spellman
Mayor

