

**COMMISSIONERS' MINUTES
KITITAS COUNTY, WASHINGTON
COMMISSIONERS AUDITORIUM
SPECIAL MEETING**

WEDNESDAY

10:00 A.M.

FEBRUARY 10, 2010

Board members present: Chairman Mark McClain; Vice-Chairman Paul Jewell; Commissioner Alan Crankovich.

Others: Mandy Robinson, Deputy Clerk of the Board; Judy Pless, Budget and Finance Manager; and 30 members of the public.

SPECIAL MEETING HOTEL MOTEL TAX DISBURSMENT COMMISSIONERS

At approximately 10:00 a.m. CHAIRMAN McClain opened a special meeting to review applications for the Hotel Motel Tax fund disbursement. JUDY PLESS, explained that there is approximately \$279,000.00 available for distribution however, the Board had met previously to discuss the pay off of the Fair Bond. She indicated that if they still intend to pay that off at \$100,000.00, then she would not recommend more than \$150,000.00 for distribution this year. Ms. Pless reviewed the reporting requirements for this year and the process that would be accepted.

Commissioner Jewell reviewed some of the new processes that have taken place since last year's meeting. He indicated that a Lodging Tax Advisory Committee (LTAC) was formed and they have created a rating system. He also explained that there have been some changes to the application requesting more detail from applicants.

Zera Lowe, Deputy Prosecutor presented a memo responding to a question proposed by the Board. She explained that she was asked whether funds collected from the County hotel-motel (lodging) tax under Chapter 67.28 RCW can be used to directly fund "for profit" entities that operate festivals and special events, and if so, whether the County can use such revenues to fund a farmer's market as a "festival" or "special event." She explained that in her opinion and in brief the answer was no. She gave an overview noting that the Legislature adopted the first version of the present day lodging excise tax in 1967. (Laws of 1967, Ch. 236). The tax and spending authority was codified as RCW 67.28.(1). A series of subsequent amendments expanded the permissible uses of the lodging tax revenues.(2) She indicated that two Attorney General Opinions interpreted the law to severely restrict the use of the hotel-motel tax funds. AGO 2000 No.9 opined that a municipality lacked authority to expend lodging tax revenues to support a tourism-related facility

in which the municipality has no ownership interest in the facility. AGO 2006 No.4 opined that even after some legislative amendments, there still must be some governmental interest in the facilities receiving the lodging tax funds, but the legislature could amend the statute to expressly allow municipalities to spend lodging tax funds on operations of non-governmentally owned facilities. Ms. Lowe concluded that in her opinion the hotel-motel tax funds authorized by chapter 67.28 RCW, do not authorize the County to directly fund "for-profit" entities outside, of what is specifically authorized by the law as currently written.

The Board approved the following requests after review and consideration from reports by the Lodging Tax Advisory Committee and by the applicants that came to present on behalf of their organization, as well as following the statute and the analysis from Deputy Lowe.

Commissioner Jewell moved to approve \$23,300.00 to the Cle-Elum Chamber of Commerce. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to table the request from the Ellensburg Chamber of Commerce. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to amend the LTAC recommendation of \$15,000.00 for the Roslyn Revitalization and proposed \$25,000.00. Commissioner Crankovich seconded. Motion carried 2-1. (McClain opposed).

Commissioner Crankovich moved to amend the LTAC recommendation of \$4,500.00 for the Chimposium (CWU) and proposed \$2,500.00. Commissioner McClain seconded. Motion carried 2-1. (Jewell opposed, supports LTAC recommendation).

Commissioner Jewell moved to approve \$3,500.00 to Jazz in the Valley. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Crankovich moved to approve \$5,000.00 to the City of Cle Elum. Commissioner Jewell seconded. Motion carried 2-1. (McClain opposed).

Commissioner Jewell moved to approve the proposal of the LTAC and award no funding to the Roslyn Market. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Crankovich moved to approve \$2,500.00 to the Western Art Association. Commissioner Jewell seconded. Motion carried 3-0.

Commissioner Jewell moved to approve \$3,000.00 to the Clymer Museum of Art. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to approve the proposal of the LTAC recommendation of zero funding for all (3) Daniel Beard Rodeo Applications. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Crankovich moved to amend the LTAC recommendation and approve \$4,050.00 awarded to the Cascade Rail Foundation. Commissioner McClain seconded. Motion carried 2-1. (Jewell opposed & said he supports the LTAC recommendation).

Commissioner Jewell moved to approve \$2,500.00 to the Kittitas County Historical Society. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to approve \$1,500.00 to the Kittitas Valley Early Iron Club. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to approve \$4,600.00 to the Kittitas Valley Event Center. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to approve \$2,000.00 to Hospice Friends. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to approve \$1,000.00 to the CWU Foundation. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Crankovich moved to approve \$4,000.00 to the Spirit of the West. Commissioner Jewell seconded. Motion carried 3-0.

Commissioner Jewell moved to accept the Prosecutor's recommendation and award no funding for the Kittitas County Farmer's Market. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to approve \$2,000.00 to the Children's Activity Museum. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to accept the LTAC recommendation and award no funding for the Northern Kittitas County Historical Society. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to accept the LTAC recommendation and award no funding for the Ellensburg Downtown Association. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to approve \$3,502.49 to the Thorp Mill Historical Society. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to accept the LTAC recommendation and award no funding for the Cle Elum Improvement Association. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to accept the LTAC recommendation and award no funding for the Ellensburg Rodeo Posse. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to accept the LTAC recommendation and award no funding for the Ellensburg Film Festival. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to accept the LTAC recommendation and award no funding to Historic Ellensburg. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell moved to accept the LTAC recommendation and award \$60,000.00 to the Ellensburg Chamber of Commerce. Commissioner Crankovich seconded. Motioned carried 3-0.

The Board thanked everyone who was able to attend today's meeting. They noted that there was a final distribution of \$149,952.49 from the Hotel Motel Fund for 2010. They indicated that there would be letters with reimbursement directions as well as instructions from the Auditor's office for processing payments.

OTHER BUSINESS

VOUCHER APPROVAL

AUDITOR

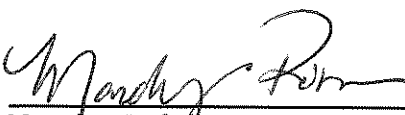
Commissioner Jewell moved to approve the following Vouchers as presented: #810221450-#810221472 in the amount of \$39,179.26. Commissioner Crankovich seconded. Motion carried 3-0.

Commissioner Jewell motioned to adjourn. Commissioner Crankovich seconded. Motioned carried 3-0.


Meeting adjourned at 12:35 p.m.

DEPUTY CLERK OF THE BOARD

**KITTITAS COUNTY COMMISSIONERS
KITTITAS COUNTY, WASHINGTON**



Mandy Robinson



Mark McClain, Chairman