CITY OF ELLENSBURG  
Minutes of Council Meeting, Special Session  
Date of Meeting  
October 25, 2010  
Time of Meeting  
6:00 p.m.  
Place of Meeting  
Council Chambers, 501 North Anderson Street

Roll Call.

Present: Bassett, Elliott, Lillquist, Miller, O’Brien, Tabb.

Absent/Excused: Bottcher

Others present were Acting City Manager Pidduck, Energy Services Director Titus, Energy Services Executive Assistant Leader, Deputy Clerk Keno and ten plus members of the audience.

Also present were members of the Lodging Tax Advisory Committee, Chamber of Commerce/Economic Development Group of Kittitas County and Ellensburg Business Development Authority Board.

2011 BUDGET DISCUSSIONS – CHAMBER OF COMMERCE/ECONOMIC DEVELOPMENT GROUP OF KITTITAS COUNTY; ELLENSBURG BUSINESS DEVELOPMENT AUTHORITY BOARD; AND LODGING TAX ADVISORY COMMITTEE

Council changed the order of the presentations.

Councilmember Bottcher arrived at 6:05 p.m.

Lodging Tax Advisory Committee

Councilmember Bassett introduced the members of the Lodging Tax Advisory Committee (LTAC). Committee Chairperson McGuffin reported the LTAC increased its expenditures by $50,000 in 2010 over 2009. The Committee is in discussions on where it is going and goals for the future. A frustration by the hotelier members of the LTAC is the majority of advertising dollars goes to events held during high use motel months and there is a lack of events during the December-February time frame when the motel industry could use assistance in bringing people to town. It was noted some LTAC funds may go to the planned water park venture. The importance of RCW 67.28 was discussed. The RCW allows the tax to fund festivals and operations costs. Currently, Central Washington University and the Kittitas County Event Center are the prime locations for business conferences. The Committee feels more could be done if a sales manager position were available and possibly that position could be funded from lodging tax. The position could work into becoming self-sufficient in three years. In answer to Council inquiry, the Chamber would have figures for the cost of the sales manager position. Council questioned what happens with the remaining 2% of the 4% lodging tax collected and requested staff report back with this information.
Some councilmembers expressed disappointment with the lack of detailed budget information presented. In answer to Council inquiry, the 2011 budget proposes revenues of $300,000. A handout detailing revenues since 2000 was distributed. The numbers in the agenda packet constitute the proposed budget amount. The signage amount of $100,000 has been carried over from year to year. Council advised the Committee it had previously authorized it to proceed with the signage process. Council questioned the criteria used to determine appropriation of the LTAC funds and requested a copy of the funding application.

In answer to Council inquiry, the LTAC could have its strategic plan in place by January-February 2011. One councilmember suggested adding “at large positions” to the Committee.

**Ellensburg Chamber of Commerce**

Bob Hansen, Interim Chamber Director, gave a presentation on the Chamber’s tourism activities, including a review of the past Chandler and Brooks study recommendations, and outlined the tourism marketing program.

Council requested a copy of the Chamber’s budget and was given a hard copy of the Chamber’s proposed 2010 budget.

Council noted the County contributed “0” to the 2010 Chamber budget.

The Chamber is seeking: 1) approval of the budget for 2011 submitted to the LTAC; 2) approval of concept and funding necessary to hire a consultant for a market analysis; and 3) approval to approach Kittitas County and the Cle Elum/Roslyn Chamber. In answer to Council inquiry, the money for the consultant study is not included in the LTAC budget. Council requested notification when articles on Ellensburg appear, such as the Sunset magazine article. In answer to Council inquiry, Mr. Hanson indicated the tourism report is turned in to the LTAC. Council requested the report be made part of the City’s contract with the Chamber.

**Ellensburg Business Development Authority Board**

Following Board introductions, Chairperson Titus outlined the EBDA’s functions pre-2010 as well as new functions in 2010 and beyond. The Board will identify new roles for EBDA and existing roles which could transition to the new Kittitas County Chamber of Commerce. In 2011 and beyond EBDA will be providing funding for infrastructure and buildings using the Board’s ability to issue bonds and accept state and federal funds. The Board will help support the IPZ (Innovative Partnership Zone) and renewable energy and continue to operate the incubator and Airport industrial building.

Chairperson Titus distributed a handout entitled “EBDA 2011 Future Directions Decision Process.” In 2011 the EBDA’s specific focus will be to: 1) operate the existing incubator; 2) assist with development of Dolarway Industrial Park(s); 3) operate/expand Airport Business Park assets; 4) establish a Professional Services Incubator; and 5) operate existing Micro-loan program.
In answer to Council inquiry, the City has provided $70,000 in funding to the EBDA in each of the last two years; $70,000 is again budgeted for 2011.

The EDG will cease to exist as of the end of 2010 and its staff will be moving to the Kittitas County Chamber of Commerce. A Request For Proposals (RFP) will identify what EBDA needs and how much it will cost to provide services they now enjoy under the shared agreement with EDG of Kittitas County. EBDA has not been able to pin down with the City what it wants the EDG to do. The EBDA budget is not finalized as the RFP numbers, etc. are not available. Council would like to see the 2009 numbers.

Council took a five minute break at 8:20 p.m. and reconvened at 8:26 p.m.

**Economic Development Group of Kittitas County**

Ron Cridlebaugh, Economic Development Group of Kittitas County, spoke about the Group’s operational activities, development activity levels for 2010 and prospects for 2011. A report will be e-mailed to the City Manager’s office. He advised charter recommendations will be coming to Council in the near future.

**Council Discussion**

Council discussed the importance of written contracts containing performance measurements. Council would like to see the data from the surveys conducted by the hotels. Council is not getting the summary reports. Better communication and more measuring are needed.

The EBDA is moving forward with a more concrete plan. The LTAC is working on its strategic plan; a special meeting with the Committee is warranted. Council consensus was the Ellensburg Downtown Association (EDA) should be part of these discussions in the future because it more clearly matches these issues versus council projects.

**REPORT ON GENERAL OBLIGATION BOND FUNDED PROJECTS**

Staff distributed an updated list of the Proposed 2010 GO Bonds Projects with a third column showing actual or projected costs for the roof projects (#2, #3, and #10). Ten percent (10%) is factored into these projected amounts for additional expenses. Projects 5, 6 and 7 are unchanged. Project 8 (City’s portion of the Dolarway Road Project) includes adding another $500,000 instead of using sales tax monies. Project 9 is the same. Project 11 was removed at an earlier date. Project 12 is the same. Project 13 at $1,000,000 is closer to the mark. This is a combination of the pool services contract and the contract with NAC Architecture. Project 14 is the same. Project 15 is the actual number. Project 16 is projected at closer to $200,000. Project 17 has no estimate for implementation. The total is $3,661,775. The bond amount was three million dollars.

Council and staff discussed the projects. Staff recommends leaving $100,000 in Project #14 – Library
Parking – for removal of the building on the property.

Eliminate Project #5 and Project #14 pending final reconciliation. Miller

Council discussed the signal light upgrades.

Vote on motion. Bassett(yes)

Bottcher(no)

Elliott(no)

Lillquist(no)

Miller(yes)

O’Brien(yes)

Tabb(yes)

Motion approved.

**ADJOURN** Motion to adjourn at 9:26 p.m. Lillquist

Affirmed

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Mayor

ATTEST: _________________________________

City Clerk