

CITY OF ELECTRIC CITY
COUNCIL MEETING MINUTES
May 24, 2011

Mayor Gerald Sands called the meeting to order at 7:00 p.m.

Present: Council members Willie Bott, Mark Borden, Birdie Hensley, John Nordine and Bob Rupe.

Excused:

Unexcused: None

Also Present: Jacqueline M. Perman/City Clerk, Roger Lucas/Star Newspaper, Tom Melowitz, and Carol Rupe.

May 10, 2011 Council Minutes:

Mayor Sands said he would like a clarification of the outcome of the voting in relation to the expenditure of the hotel/motel tax to the Grand Coulee Parks & Recreation District. It was written in the minutes that Council members Bott and Rupe abstained. This is because the clerk could not hear what they had said. Clerk Perman said she listened to the tape several times to hear the voting and all she could hear were council members Nordine and Hensley voting yes. Council members Bott and Rupe said they did not abstain but did vote yes. Council member Borden asked if it is okay to spend our hotel/motel money out of our city limit. Clerk Perman read an e-mail dated April 25, 2011, from Jan Jutte, State Auditors Office, which says, "An expenditure of lodging tax does not have to be within the city limits to qualify." Motion was made and seconded to approve the May 10, 2011, minutes with the change that the motion was unanimous. Council member Borden abstained because he was not here for the May 10, 2012 meeting. m/s (Nordine/Hensley)CU

Public Discussion:

There was no public discussion.

Unfinished Business:

- Mayor Sands reported on the progress of the web site. Tom Melowitz developed the web site based on what he found on other city's sites. Our domain name is electriccity.us. It costs the city \$111.72 a year using the yahoo.com as the hosting site. He has been teaching the City Clerk how to transfer the site, and how to update and maintain the site. The approved minutes will be posted on the site, calendar of events, city codes, and city forms. Council member Bott gave Tom some examples of web sites from cities he liked.
- A meeting will be set up for Monday, June 6, 2011, 4:15 p.m. with the water committee, Public Works Director, and Mayor. The meeting will be discussing the water cross connection program.
- Clerk Perman read another e-mail dated May 12, 2011, from Jan Jutte, State Auditors Office which states, "I believe you have a strong case that this park is a tourism related facility. However, in our audit process we will want to verify that your statements are true and we interpret the tourism use the same way you do. We will also want to be sure that the tourism use of the park is significant. In other words, we will want to be sure that the park is not used primarily by local citizens and the tourism use is incidental or isolated to a single festival or event. I think as we look at this issue in our audit we would also take into consideration the future plans you are pursuing to expand the tourism use of this park." An e-mail dated May 17 answers the question, "If at the end of the year it was determined that the North Dam Park is not a tourism related facility would the city have to divert funds from the general fund budget to replenish the funds used from Hotel/Motel tax?" The answer: "I really can't answer that question. It could range from us reporting this as an exit item in each city audit with a recommendation to better document their expenditures to a finding where we question the expenditure and the documentation. In a lodging tax finding we do not normally recommend the money be repaid from the general fund because the money was not diverted to the general fund. You are asking me questions that we cannot determine until we do the audits." Clerk Perman said the bottom line sounds like the city will have to prove that the use of the North Dam Park is a tourism related facility. Not part of it but the whole park. Clerk Perman said the city will have to draw up a contract with the Park and Recreation saying we will pay this amount but they will have so many festivals at the park, so many tournaments, etc. Council member Borden said we had already requested the Park & Recreation to write up and show us a proposal of future activities. From what

we just read he feels we do not have determination that we can do this at this point. Mayor Sands related Coulee Dam maintains their parks using Hotel/Motel Tax. It should not make a difference because they are below the dam and we are above the dam. The Grand Coulee Dam is the biggest tourism attraction in the State of Washington so in actually the whole Grand Coulee area is tourism related.

- Council member Bott wanted to remind the council that the city is spending more money each month than we are bringing in. Clerk Perman gave the council a copy of the first quarter budget position they received last council meeting and showed them the expenditures are not more than our revenues in the Current Expense Fund, The Water/Sewer Fund and Garbage Fund. Our expenditures are more than our revenues in the Street Fund. Council member Bott is concerned that we are short \$169,000 from 18 months ago. Council member Nordine said that we bought a fire truck that would reflect on those expenditures. Council member Borden said that we have had some one time expenditures that would drive that cost up. Clerk Perman said she is not prepared to discuss this with figures. Clerk Perman said that we are not spending any more than what the council has authorized. Mayor Sands asked if we could have something showing what the year end fund balances from the past three/four years to show the council.
- The Department of Health will have a letter drafted for the council by June 14, 2011, meeting. This letter will explain why we have to go forward with the arsenic treatment plant.

Reports/Misc:

No reports or miscellaneous.

Voucher Approval:

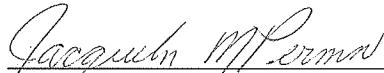
Motion was made and seconded to approve expenditures for vouchers #8655-#8663 in the amount of \$10,335.18.

m/s (Borden/Rupe) CU

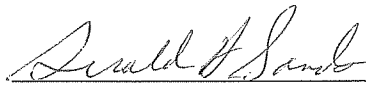
Adjourn:

The meeting was adjourned at 8:05 p.m.

m/s (Rupe/Borden)CU



Jacqueline M. Perman, City Clerk



Gerald H. Sands, Mayor