
**OMAK CITY COUNCIL
BUDGET WORKSHOP MINUTES
October 28, 2019 – 6:00 PM**

CALL TO ORDER:

Mayor Gagne called the Omak City Council budget workshop for the 2020 Budget to order at 6:00 PM and everyone joined in the flag salute.

COUNCIL AND ADMINISTRATIVE PERSONNEL:

Michael Foth	Tyler Wells, Building Official
Nattalie Cariker	Kevin Bowling, Fire Chief
Dave Womack	Jeff Koplín, Police Chief
Barry Freel	Ken Mears, Public Works Director
Steve Clark	Todd McDaniel, City Administrator
Walt Womack	Connie Thomas, City Clerk
Michelle Gaines	

2020 BUDGET CURRENT EXPENSE BUDGET:

Budgetary Environment and Revenue Overview-City Administrator McDaniel

City Administrator McDaniel explained to Council that the 2020 budget is almost identical to the 2019 budget. The expenditures and revenues in the Current Expense Fund are less than the 2019 estimates. There is not much capital in the Current Expense Fund so, most of the expenditures are operations and labor. Administrator McDaniel explained to Council that he reviewed the revenue trends and said the revenue is stable. He explained that last year, the City received one-time revenues in 2018 from construction projects done by the Omak School District and Grocery Outlet which pushed sales tax revenues close to \$2,000,000. Although the sales taxes are coming in strong for 2019, he doesn't anticipate two million. In the 2020 budget, he purposely left out the anticipated one-time city sales tax money. He told Council the City will be doing a sewer project and the Housing Authority will begin their housing development. He said it's worth noting that he increased the B&O tax revenues. The Public Works, Police and Fire Departments are conservative in their spending. He knows there will be unspent money in those departments. The Police Department will have savings in wages as, Officer Knutson and Detective Marcos left the department in 2019 and, Chief Koplín has chosen to wait until 2020 to hire a new officer. Administrator McDaniel told Council the 2020 wages for officers are in at full burden. Council Member Gaines expressed her concerns with the decreased revenues and increasing expenditures. She stated that the City can't continue to operate with an annual decrease in current expense and Administrator McDaniel agreed. Administrator McDaniel told Council the Mayor's 2020 Budget also includes a 3% wage increase for non-union employees and a 2.5% contract increase for the Teamsters. The City is still negotiating a labor agreement with Public Works employees. The medical did not increase for non-union and Public Works employees but, the Teamsters medical increased by 5%. The City insurance decreased by 7%.

REVIEW AND DISCUSSION OF 2020 CURRENT EXPENSE BUDGETED EXPENDITURES:

Council began reviewing the departmental expenditures within the Current Expense budget. The first question was from Member Dave Womack regarding the Fire Department fund and the narrative provided by Chief Bowling. He referred to the short/long term goals regarding replacing or keeping the 1991 fire engine. Member Dave Womack asked how the Washington Surveying and Rating insurance affects a home owner. As a tax payer he wanted to know if it would be beneficial to have a lower rating by keeping the engine versus purchasing a new engine. Chief Bowling said he has asked that question and has yet to receive a good answer. Member Dave Womack also asked about the full-time firefighter that was in the 2019 budget. The firefighter was to be shared with Fire District No. 3 and it was never filled. After working on the job description, Chief Bowling said that it should be a full-time position for Omak. He does understand the City can't afford it right now, therefore it was removed from the 2020 Mayor's Budget.

Building Official Wells explained to Council that his budget did not include \$1,000 to purchase the International Building Codes which we are required to have. The office & operating supplies line was increase to \$4500. He shared with Council information about the proposed software program and how it would help the Building Department and Code Enforcement with tracking. The cost of the software would be shared equally between the departments.

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There was discussion about the Abatement Fund and what the City is doing to remedy dilapidated homes. The City has abated a couple of properties and the process is time consuming. City Administrator McDaniel said that ideally, he would like to bring in someone with legal knowledge to guide staff through the abatement process. Member Cariker suggested committee this topic discussion committee is discussion is presented to committee. Administrator McDaniel mentioned the City look at charging a system use charge for water/sewer. He explained when the water goes off, revenue is not coming into the City to support the operations. Member Cariker suggested this discussion should also go to committee.

Council questioned the narrative regarding the tennis courts. They asked if \$4,000 is enough to resurface. Public Works Director Mears explained that the original request was to resurface but during meetings with the Mayor, it was determined that filling the cracks would be enough. The narrative did not reflect the decrease in the line item.

In the RV Park, Council asked that the advertising line of \$200 be paid out of the Hotel Motel fund. It's a The line was reduced to zero and an additional \$200 was moved into the Hotel Motel fund.

In the Current Expense Capital Outlay fund a fire alarm system was requested for \$34,000. Chief Bowling explained to Council that the alarm system was installed when the building was built, ___ years ago. The parts are obsolete. Council questioned the need for the alarm system and Chief Bowling said it was required by code when the building was built so, yes. Administrator McDaniel stated the expenditure is a central service and, has offsetting revenue from other funds.

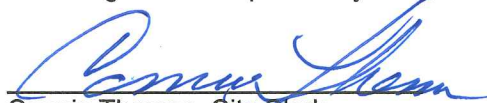
Fund 406, Airport includes an expenditure in 2020 of \$30,000 for easement acquisition, this is the final payment. In addition, there is a project to repair the taxiway and a DNR water improvement project.

Member Freel asked about the request for flashing stops signs listed in the Street Fund. Public Works Director Mears explained that those will be placed at the intersection of Ash Street and Central Street. Recently, the electrical for the flashing red light failed at this intersection. It was not cost effective to replace the hanging light. Citizens continue to run the stop signs at this intersection. Staff felt that flashing lights would make signage visible and reduce the number of vehicles running through the stop signs.


Council discussed in detail the distribution of Hotel Motel Funds. Member Gaines asked about the \$20,000 for an events coordinator. Administrator McDaniel explained that it was not used in 2019 and it was left as a placeholder for 2020. They also discussed the \$15,000 in the fund for a welcome sign requested by the Chamber of Commerce. The Chamber would like to have an electronic sign placed at the corner of Dayton and Highway 97 to display events and promote Omak. After some discussion, Council doesn't think \$15,000 will be enough.

All funds have been reviewed by Council and there were no further questions or comments. The next Budget Workshop will be held on November 4, 2019.

The budget workshop was adjourned at 9:00 PM.



Connie Thomas, City Clerk



Cindy Gagné, Mayor