
**OMAK CITY COUNCIL
BUDGET WORKSHOP MINUTES
November 12, 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-via phone	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-absent	

RECAP OF OCTOBER 28, 2019 CURRENT EXPENSE BUDGET

City Administrator McDaniel explained to Council that since the last Budget Workshop, he has been making some changes to the budget document. The current Ending Fund Balance is \$1,041,790 and this is due to a significant reduction in the 2019 jail booking and inmate medical expense. After speaking with the County, the billing for these services will be lower than the 2019 appropriation which in turn will increase the ending fund balance. He has also increased the transfers to the Cemetery and Library funds by \$5,000 each. In addition, he told Council that he did not include any one-time revenues the city will receive in 2020. He anticipates permit fees from the Meadow Point Development project and sales tax from City projects.

REVIEW AND DISCUSSION OF 2020 BUDGET

Special Revenue Funds – Hotel/Motel Fund 105

City Administrator McDaniel explained to Council that he has added an additional \$20,000 to the Hotel Motel Fund requests. This is for labor done by Public Works prior to and after the Omak Stampede event. He will be reaching out to the Hotel Motel Committee members to discuss this request. Member Freel asked if the Hotel Motel Funds could be used to back a concert event in the Stampede arena. Administrator McDaniel said this would be a good use of those funds.

Enterprise Funds – Water, Sewer, Garbage, Storm, Water and Sewer Reserves

Administrator McDaniel told Council that each member was provided a draft fee schedule. The fee schedule includes an increase of 2% for each utility, water, sewer, garbage and storm drain. Administrator McDaniel explained to Council that two lines within the Water Fund would exceed the 2019 appropriation. The office and operating supply line item, end of year was increased to \$90,000. The water department ended up purchasing more meters for replacement than in past years. The Public Utility line end of year was increased also. The Julia Maley Well came online which increased 2019* expenditure for public utilities by \$30,000. Administrator McDaniel explained to Council that because of the increase in power bills, he asked Public Works to coordinate a meeting with City engineers and the PUD of Okanogan County to determine a way to reduce the charges. Member Freel asked why the city would spend \$67,000 on the inspection of Okoma Well. Public Works Director Mears explained that the inspection will provide information to the city. From there, the city could determine whether the well should be rehabilitated to a good producing well or if it should be abandoned. I would be an extra water source for the City.

Administrator McDaniel explained to Council that after a discussion with Municipal Research and Services Center, the Department of Natural Resource Airport Water Project should be in the Water Fund rather than the Airport Fund. He anticipates that over time, the water system will acquire a larger customer base. Currently it will only service the Airport Terminal, DNR facility and seasonal fire operations and the water system will not support itself the first few years. He told Council that the Water Fund in the budget document was updated to, reflect the expenditures and offsetting revenue of \$300,000 from Department of Commerce and the \$1,000,000 from the Department of Natural Resources. This was pulled from the Airport Fund.

The Sewer Fund includes a \$3,200,000 sewer infrastructure project. \$300,000 will be transferred from Sewer Reserves to the Sewer Fund for this project. This will leave \$700,000 in reserves which is approximately nine months of operating funds.

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City Administrator McDaniel explained that rates for the garbage collection are set to cover the expenditures. He asked Council if they would like to see reserves in this fund for operating? Administrator McDaniel told Council that they can implement policies to provide guidance as to fund balance. It doesn't have to be restrictive. He referred to Council always striving to keep the Current Expense ending fund balance at 1,000,000.

Administrator McDaniel thought he would see an impact in the Storm Drain Fund with the 10% rate increase for 2019 and it's stayed about the same. He anticipates some significant projects within the next three years. The Asotin Storm Drain project is fully funded with Community Development Block Grant funds (CDBG). As part of the agreement, the City is required to spend the balance that remains in our Block Grant fund.

Internal Service Funds – Equipment Rental and Equipment Rental Capital Purchase Funds

The Equipment Rental Capital Purchase fund includes a Vactor Truck, plow truck and a police vehicle. The Police vehicle is an addition to the 2020 budget. The replacement of this car was scheduled for 2021 but it was just involved in an accident so, the expense has been included in the budget. Chief Koplun discussed his desire to purchase a Ford Explorer versus another Dodge Charger. The ground clearance on the Explorer is a better for our area. The quoted purchased price with options is estimated at \$57,500. There was also discussion about the life expectancy of the vehicles. After discussion, \$10,000 was added to Current Expense Capital, Police Vehicle and the E/R Capital Police Vehicle line was increased to \$47,500.


Agency Funds – State Building Permit, State Agency Deposits, Revolving Advanced Travel

City Administrator McDaniel said these funds are money moving in and out of the City. It's money the City collects on behalf of another agency.

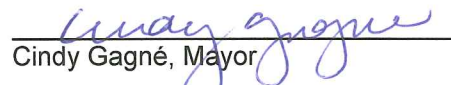
Council discussed the jail booking and inmate medical expenditures at length. Based on the 2018 actuals and 2019 appropriated, they were hesitant about the end of year expenditure estimates being lower than average for booking fees and medical. Administrator McDaniel explained that the estimate costs were provided to him by the County. It was determined by Council to leave the end of year estimates as they were.

Mayor Gagné asked Council if Council had any further question for staff. There were none. She stated the first read of the 2020 Final Budget will be on the agenda for Monday, November 18, 2019.

The budget workshop was adjourned at 7:30 PM.



Connie Thomas, City Clerk



Cindy Gagné, Mayor