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**OMAK CITY COUNCIL  
BUDGET WORKSHOP MINUTES  
October 25, 2021 – 6:00 PM**

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**CALL TO ORDER:**

Mayor Gagne called the Omak City Council budget workshop for the 2021 Budget to order at 6:00 PM. This workshop is being conducted using a Zoom meeting environment encouraging public participation. She established a quorum and noted there was no one from the public on the Zoom meeting.

**COUNCIL AND ADMINISTRATIVE PERSONNEL:**

Michael Foth	Tyler Wells, Building Official
Nattalie Cariker	Kevin Bowling, Fire Chief
Dave Womack	Dan Christensen, Chief of Police
Barry Freel	Ken Mears, Public Works Director
Steve Clark	Todd McDaniel, City Administrator
Vacant Position	Connie Thomas, City Clerk
Michelle Gaines	David Ebenger, Municipal Court Judge

**2022 CURRENT EXPENSE BUDGET:**

**Budgetary Environment and Revenue Overview-City Administrator McDaniel**

City Administrator McDaniel explained to Council that 2021 has been a good year for the City's budget. Revenues have been coming in higher than anticipated particularly the retail sales tax. He expects the revenue will be similar in 2022 and, has projected the retail sales tax revenue to come in at \$2,100,000. He feels the City of Omak is in a good position financially. He told Council that the 2022 budget is not much different than 2021 other than the recent budget amendment approved by Council. The budget amendment recognized revenue and expenditures in the police department and other funds. In 2021, the wages were increased for the Police Chief and, the Records Clerk position was increased to, full-time. Chief Christensen is the wild card in this budget in that he is new to the process and building up his department.

He explained to Council that, the 2022 Mayor's Budget document includes a 6% increase in Non-Union salaries, the Public Works Crew increase is 3% according to their Labor Agreement and the Police Officers & Sergeants CBA increase is set at 2.5%. This budget also includes the expenditure of the American Rescue Plan Act funds (ARPA) in the amount of 1,333,770. The first half of the ARPA was received in 2021 and has inflated the 2022 Beginning Fund Balance. The second half will be received in 2022. The 2022 budget anticipates the total amount of the ARPA funds being expended, normalizing the Ending Fund Balance for 2022. The Mayor's 2022 Budget includes a three percent increase in all city utility rates which is not keeping up with inflation (the Consumer Price Index is 6%). Administrator McDaniel said that the Proprietary Funds include more projects than the city can afford to do. The Garbage Fund is strong and there could be a possible reduction in garbage rates. The Airport Fund is strong because of the 2021 fuel sales due to wildland fires. In addition, the budget document includes an increase in property tax revenue with, the assumption Council will approve the 1% Ad Valorem as they have done annually. If approved, this will provide an additional \$8,611 in revenue. Administrator McDaniel explained to Council that revenue sources are limited in the Current Expense fund. This fund relies on taxes to support the expenditures. Administrator McDaniel reviewed those taxes with Council. This budget indicates the City Current Expense fund will begin 2022 with \$2,009,495 which is an anomaly due to the ARPA funds. The \$1,030,831 estimated ending fund balance in the Current Expense Fund targets the one million that Council asks to have. The city is gaining money in the Affordable Housing Fund, Capital Improvement Fund, and the Stampede Arena Redevelopment Fund. Those three funds have restricted use or are earmarked for a specific expenditure or long-term debt.

**Review and Discussion of 2022 Mayor's Budget**

City Administrator began the review of the expenditures in the Current Expense Fund. Member Gaines questioned the increase in wages for the Municipal Court. Administrator McDaniel explained the wage increase is result of the new Cost Allocation Policy. There was further discussion about the staff wages and Administrator McDaniel explained the Court Clerk time spent is equal to a .5 full time employee and \$35,095 is representative of that actual cost. The Cost Allocation was found to have a less of a burden on Current Expense Fund and, he saw a significant savings. He believes this is a solid policy as the budget shows real cost of what it takes to operate the court. Administrator McDaniel told council that current Judge Ebenger has been a salaried employee since his original appointment. Judge Ebenger asked for a contract position and, proposed an increase in salary based

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on an average of six hours a month. Administrator McDaniel told Council that the term for the Municipal Court Judge mirrors the Mayor's term.

In the Mayor/City Administrator expenditures account 001.513, Member Gaines asked about the \$5,000 Business Expense Fund for the Mayor. Administrator McDaniel explained that this fund would be used to pay for necessary costs associated with the office of the Mayor.

Seeing a discrepancy in both the Council and Mayor's 2022 salaries & wages, Administrator McDaniel asked for a fifteen-minute recess to ensure the correct budget document was being shared during the workshop. Upon return, Administrator McDaniel was confident the correct document was presented but found formula errors in some lines.

**Police Department**

Administrator McDaniel told Council that Chief Christensen has taken his position as the Chief of Police, seriously. There is not a lot of changes within the Police Department Budget. The estimated 2021 end of year for administration legal services is \$10,000 which is higher than budgeted. The Police Department is consulting with Menke Jackson Beyer, LLP on a complex public records request with potential for litigation. Member Gaines said that she read through all the narratives and didn't see anything that could be taken away from the Police Budget. Member Cariker agreed. Chief Christensen told Council that they have done a good job at supporting the Police Department. Administrator McDaniel told Council that the equipment rental has increased significantly for the Police Department. He has put more thought into the equipment rental fund and will go into more depth at the next budget workshop but, Council will see an increase in the equipment rental funds throughout the budget.

**Fire Department**

Chief Bowling explained to Council that there are no significant changes as far as expenditures. He went through the highlights and reminded Council about his replacement program for turn-out gear. This will be the last year in that replacement cycle. He is also requesting the purchase of several SCBA masks so that everyone can have their own mask. The small tools and equipment line was increased in 2021 to purchase a treadmill, it's now decreased by \$7,000 for 2022. Travel and Training increased to allow two firefighters Fire School Training in Wenatchee. The facilities line was increase by \$2,725 to replace carpet in the Fire Department meeting/training room. The carpet is outdated and causing a tripping hazard. The vehicle repair supplies line was reduced and, the travel and training for the mechanics was increased. The increase in this line will allow the mechanics to attend Fire Mechanics School for continue training on fire apparatus. City Administrator McDaniel told Council that the last several years, the city has been reimbursed by Fire District No 3 for Fire Chief Services. Chief Bowling looked at the actual time spent in the district and found that forty percent of his time was spent there. In 2022, Fire District 3 plans to pay the City of Omak \$34,000 for Fire Chief services. Also in 2022, Chief Bowling will start paying an additional stipend to a volunteer which will cover the Fire Chief when he is on vacation and select weekends. The wages & salaries for fire suppression will cover the additional stipend. He told Council that Fire District No. 3 would also pay a percentage of that stipend. Member Cariker expressed her concerns about filling the Fire Chief position when Chief Bowling retires. Council has discussed for years about a second paid position for the Fire Department. She told Council that we keep kicking the can and not looking at the second position. She stated that Chief Bowling works 24/7 and she is confident no one else will do that. Council needs to look at a second position and make it happen for the Fire Department. Member Clark said that Chief Bowling has been trying for years to get someone for the influx of hours. Maybe Council does need to take a stronger look at it and get him the help he needs. Member Womack doesn't have a problem hiring another firefighter but, the idea of paying a firefighter a stipend while the Chief is gone is a great start. There was further discussion about a second position and will review the stipend position mid-year to find out how it's working.

**Care & Custody of Prisoners**

Jail Booking fees are coming in substantially lower for 2021 and the city will see a savings of \$91,955. Administrator McDaniel has requested \$360,000 for 2022 to ensure there is sufficient expenditure in the event the County Jail begins taking inmates.

**Inspections, Permits, Certificate 7 Licenses**

Building Official Wells told Council that he reduces a couple of his funds. The Plan Check account was reduced as he was recently certified in plan review. The office & operating supplies was reduced as Mr. Wells decided there was not a need to purchase permitting software as he is pleased with the current process. He is

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asking for an increase in travel & training to ensure he keeps up on his Continued Education Units (CEU's). Member Clark asked if Gary Lewis is still assisting him with Code Enforcement. Mr. Wells said that he hasn't had the need for his help. They do collaborate when needed.

**Flood Control**

Public Works Director Mears told Council that there were not any requests in flood control. Member Womack questioned the reduced salaries & wages in flood control. Administrator McDaniel explained that wages were based on actual work performed by the public works crew July 2020 through June 2021. There was discussion about the cost allocation process for the public works employees.

**Animal Control**

Administrator McDaniel told Council that the Animal Control fund included a retirement payout. Police Chief Christensen explained to Council that in anticipation of retirement, he increased the uniform and the travel & training lines. He will need to properly equip and train a new employee. He is unsure how the position will be reshaped in the future. Member Womack asked if the fund title could be changed from animal control to code enforcement. Mr. Lewis position is more code enforcement.

**Abatement**

Administrator McDaniel discussed the current projects in this fund. He increased the end of year expenditure to \$15,000 as he is still working on the property at 510 S Main. He plans to schedule a meeting of the Personnel/Finance Committee to discuss this property. The city boarded up another home on Dayton Street as it was abandoned.

**Planning & Community Development**

Administrator McDaniel explained that the expenditure for planning services increased. The increase of \$12,500 is offset by a grant from the Department of Ecology for Highlands Associates to update the city's Shoreline Master Program.

**Park Facilities**

Public Works Director Mears told Council that they had a successful year at the swimming pool, considering the COVID restrictions. City Clerk Thomas explained to Council that wages for the pool employees. The lifeguard wage is set in based on the Washington State minimum wage of \$14.49 and wages for the WSI and Pool Manager are increase by the six percent CPI. The uniform budget allows the city to purchase professional lifeguard suits, hats, and other items they need to perform their job. Member Clark asked about installing an AED at the pool. Mr. Mears said he and Chief Bowling have had this discussion. They talked about the response time of emergency services versus training the pool employees. At that time, they decided to not install an AED. Mr. Mears plans to have a full swim season for 2022.

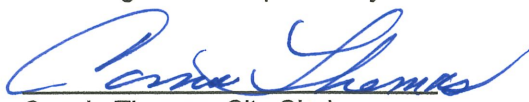
The RV Park Campground budget includes the repair of power pedestals.

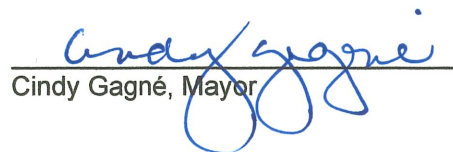
Member Womack asked how the camp host did this year. Mr. Mears said that she did a good job. Having eyes and ears over there was good. Member Womack asked if part of the reason the city could not find a host at the beginning of the season was the camp host amount of \$3,000? Mr. Mears said he interviewed several people and, the amount was not enough. Member Gaines asked if increase the amount would make it more attractive. Maybe a range of \$5,000 to \$5,500. The Camp Host expenditure was increased to \$5,500 in the budget document. Capital Expenditures for the swimming pool include a lifeguard stand and a new boiler as the current boiler failed this year.

Council Members Gains clarified that we will, pick up were left of next workshop and review capital requests.

Mayor Gagné told Council the next Budget Workshop will be held on November 8, 2021.

The budget workshop was adjourned at 9:00 PM.

  
Connie Thomas, City Clerk

  
Cindy Gagné, Mayor