
**OMAK CITY COUNCIL
BUDGET WORKSHOP MINUTES
November 14, 2022 – 6:00 PM**

CALL TO ORDER:

Mayor Gagné called the regular meeting of the Omak City Council Budget Workshop for the 2023 Budget to order at 6:00 PM, established a quorum and all joined in the flag salute.

COUNCIL AND ADMINISTRATIVE PERSONNEL:

Michael Foth	Tyler Wells, Building Official - absent
Nattalie Cariker	Kevin Bowling, Fire Chief
Dave Womack	Dan Christensen, Chief of Police
Barry Freel	Wayne Beetchenow, Public Works Director
Steve Clark	Todd McDaniel, City Administrator
Michelle Gaines	Connie Thomas, City Clerk
Meyer Louie	David Ebenger, Judge

PUBLIC COMMENT

There were no public comments received.

1st BUDGET WORKSHOP RECAP

City Administrator McDaniel reminded Council they gave direction on some items. He informed Council that he reduced the 2022 Beacon Health grant amounts for the C.O.R.E. Program. All the funding will not be spent in 2022. He appropriated the remaining grant funds into 2023 which will extend that program. The C.O.R.E. program was awarded a grant from North Central Accountable Community of Health (NCACH). This grant will fund the current position held by Rochelle Danielson and fund an additional position, operating costs and a vehicle. \$343,000 was entered into the C.O.R.E. program mental health expenditure lines and is offset by like revenue for the program. This grant will fund another \$300,000 for 2024. Administrator McDaniel updated the budget document with the two budget amendment ordinances. The only affect was a transfer of \$250,000 from current expense to the street fund. \$40,000 was input for the COPS grant awarded to the Omak Police Department from the Department of Justice. This is a four-year grant for a new officer position with three of those years being funded. Clerk Thomas updated the wage lines and split out the benefit amount (thank you Member Gaines). Administrator McDaniel reminded Member Womack that he asked about the Fire Department Funds with District No. 3. When Fire District No. 3 contracted additional revenues, more account lines were created in the budget. The city is no longer netting those revenues so the expenditures and revenue for the cost share, Chief wages and facility rent are correct for 2023. Central Services allocations were verified in the budget, the \$20,000 in revenue received from the Okanogan County Health Department was added along with updating the Hotel/Motel fund which was off by \$600. During the last Budget Workshop, Member Freel asked about rate comparisons. Administrator McDaniel obtained a rate comparison from the Town of Winthrop and provided each member with a copy. The Mayor's Budget includes an 8% increase on each utility. He informed Council the Association of Washington Cities does have data from a statewide survey but, he would need time to structure a spreadsheet as the rates and usage are set different for each municipality. Member Womack asked if the budget included an increase for the volunteer firefighters. Administrator McDaniel confirmed that \$10,000 was added to the wage line during the last budget workshop. The ending fund balance for current expense is \$1,386,937.

REVIEW AND DISCUSSION 2023 BUDGET BY FUND

102 Street Fund

Administrator McDaniel explained to Council the street fund has struggled since 2001. The Street Fund was hurt by the initiative that limits property tax increase to one percent. Mayor Gagné asked about the request for two signals for \$6,000. Public Works Director Beetchenow would like to put a signal at the crosswalk on Oak Street by North School. The remaining expenditures in this fund are a match for Transportation Improvement Board projects. The city will not receive notice of award on these projects until after the budget has been finalized. Member Gaines asked about the funding for CDL (Commercial Driver's License) Training. The narrative spreads the \$10,000 costs throughout the budget. Mr. Beetchenow informed Council this was a new line and would be for new hires to obtain their CDL. The request of \$10,000 allows training for two employees.

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103 Cemetery Fund

There was discussion as to why the 2022 budgeted repairs and maintenance was budgeted at \$10,550 and the expected end of year is \$1,000. Staff could not determine the reason for the budget request and felt it may have been an error.

700 Investment Trust Fund – Cemetery Endowment

Administrator McDaniel informed Council the city can only use interest earned on the \$170,949 sitting in this fund. The funds are not invested and are cash in our account. In 2023, he will be looking to invest these funds into a bond for ten to fifteen years with four to five percent interest rate.

104 Library Fund

Administrator McDaniel informed Council the library fund is supported by current expense. Council questioned the need to have additional expenditures for the HVAC system. The last couple of years, units have been failing. Public Works Director Beetchenow wasn't aware of any issues with the Pioneer Room heating system. Administrator McDaniel informed Council a budget amendment could be done if, funds are needed for repairs.

105 Hotel/Motel Fund

Administrator McDaniel informed Council the burn rate in the fund is \$263,000 a year with less revenue coming in. Each year, there is money left on the table and there was more left unspent during the COVID Pandemic. He advised Council that \$263,000 in expenditures is not sustainable for the long term. Mayor Gagné confirmed there was discretionary funding. Administrator McDaniel confirmed there was \$2,500 to allocate smaller amounts to groups throughout the year. Member Freel asked about the \$20,000 request for the Event Coordinator. Mayor Gagné explained that it was a place holder and is hoping in 2023 to attract someone.

106 Affordable Housing

Administrator McDaniel informed Council the revenues coming into this fund could be used specifically for affordable housing or to support the infrastructure of. It's up to Council to determine how the funds should be expended. There was discussion about using the funds as a match to construct the street from Jonathan to Quince Street.

109 Block Grant Fund

Administrator McDaniel explained to Council that staff is working to close out the Asotin Storm Drain project. This project was funded by CDBG (Community Development Block Grant). The \$20,000 of revenue received into this fund may need to go toward the project costs. If the funds are not used for the Asotin Storm Drain project, Administrator McDaniel recommends Council transfer the funds out of the Block Grant Fund to another fund for a project. Mayor Gagné asked if the money could be used to complete Jonathan Street to Quince Street project. Administrator McDaniel said it certainly could and, would benefit affordable housing. A new line was created to transfer \$20,000 out of the block grant fund.

110 Stampede Redevelopment

Member Gaines asked about the balance building in this fund. Administrator McDaniel explained the balance is there to help offset the shortfall when the city stops receiving Public Infrastructure Funds (.09 money) from Okanogan County after 2023. Currently the payment on the arena facility is being funded by the Hotel/Motel Fund and the County .09 money. Administrator McDaniel informed Council that admissions and royalty revenues from Stampede ticket sales and the concert were significant this year.

301 Capital Improvement Fund

Administrator McDaniel explained the expenditures for the pool feasibility study was a carryover from the 2021 budget. The \$41,000 for the study is being reappropriated by ordinance this year. This fund is building balance for a capital improvement project. The \$338,999 would be a good match for either a police/fire facility or to potentially replace the swimming pool.

401 Water Fund

Administrator McDaniel explained to Council the water projects in the budget includes the July Maley Treatment Facility which is funded by the DWSRF (Drinking Water State Revolving Fund) and the Airport Water Reservoir. Administrator McDaniel explained to Council the funding and potential revenue sources to cover construction of the reservoir. He stated that he is still working out the logistics. Many of the projects in the water fund will be carried over from 2022. Public Works did not have the resources in 2022 to complete the projects. Administrator McDaniel informed Council that he would like to see the ending fund balance higher in the

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water reserve fund. Member Cariker asked about the longevity of the water lines and if they have been assessed like the sewer lines.

402 Sewer Fund

In looking at the sewer fund and the reserves, Member Gaines does not want to increase the sewer rates the full eight percent. She is okay with an eight percent increase in the water rate. Administrator McDaniel agreed there is adequate reserves in the sewer fund and the idea is to fund a project every two years. The city is seeing a higher costs in materials and equipment. Member Freel and Member Womack agreed with a four percent increase on sewer rates. Member Cariker would like to ensure the rates sustain current and future projects.

403 Garbage Fund

Administrator McDaniel informed Council that Sunrise is preparing a contract and will provide charges based on CPI. Once the contract is received, he will forward that to City Attorney Howe for review. Council does have the ability to go out to bid or accept Sunrise Disposal, Inc. as the contractor. The City of Omak has a great relationship with Sunrise Disposal. The contractor is asking for an eight percent increase. Administrator McDaniel informed Council that city rates include an average ten percent for administrative costs.

406 Airport Fund

Administrator McDaniel explained the airport fuel is offset by a like revenue amount. J-U-B Engineering is updating the Airport Layout Plan. The priority is to construct the north taxiway. Member Gaines asked about the airport fuel tanks. Public Works Director Beetchenow explained that earlier in the year there was a short window of opportunity to purchase the fuel tanks. The tanks were over budget so, he was unable to purchase them. The fuel tanks are in the 2023 budget for an increased amount of \$180,000.

Council took at ten-minute break

501 Equipment Rental Fund

Administrator McDaniel informed Council that prior to the meeting, he and Public Works Director Beetchenow reviewed the Equipment Rental fund. The fuel cost does have them concerned and a budget appropriation of \$104,000 drafted. With the unknown costs of diesel fuel, Council recommends increasing the fuel consumed line from \$90,000 to \$100,000 for 2023. Administrator McDaniel explained to Council the equipment rental collected other departments comes into 501 Equipment Rental. These funds are then given to 508 Equipment Rental Capital for the replacement of equipment.

508 Equipment Rental Capital Fund

Administrator McDaniel informed Council that \$362,268 of revenue will be received from the Equipment Rental fund in 2023. This contribution amount was derived from the PubWorks program. There was discussion about how the capital is funded. Administrator McDaniel informed Council that Public Works will provide Council with what the fleet is worth, the original cost and the replacement requests. Public Works Director Beetchenow with input from city mechanics may recommend different equipment or reinvent equipment to serve multiple uses/departments. Council will then have the authority to approve the replacement(s), reduce the fleet, hold off on replacement.

631 State Building Permit Fees and 632 State Agency Deposit Funds

Administrator McDaniel informed Council these funds are pass through to other agencies. Revenues in and expenditures out.

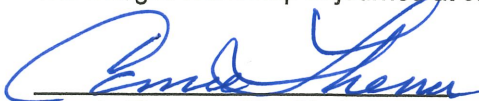
633 Travel Account

Administrator McDaniel explained to Council the travel account was created at the request of the Washington State Auditor. There is no activity in this account as the travel expensed are captured in the specific travel and training funds.

Mayor Gagné asked Council if they needed another Budget Workshop. The final budget hearing is scheduled for Monday, November 21, 2022, with final adoption of the 2023 budget slated for the December 5, 2022, agenda. Member Womack asked staff to prepare a clean version of the budget document for review. There was discussion about pushing out the public hearing and adopting the budget December 21, 2022, and other options Council had for additional time to review the budget document.

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The Budget Workshop adjourned at 8:23 PM.



Connie Thomas, City Clerk



Cindy Gagné, Mayor