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**OMAK CITY COUNCIL  
BUDGET WORKSHOP MINUTES  
October 30, 2023 – 6:00 PM**

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**CALL TO ORDER:**

Mayor Gagné called the regular meeting of the Omak City Council Budget Workshop for the 2024 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
Nattalie Cariker	Jeremy Patrick, 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 - <b>absent</b>	Rochelle Danielson, CORE Program Manager/Outreach Specialist

**BUDGET SUMMARY**

City Administrator McDaniel explained to Council the budget format is the same as it was last year. The estimated Ending Fund Balance of \$1,661,432 in Current Expense includes the COVID Funds. He said that he is nervous about the estimated burn rate of \$1,752,328. The Street Fund was tough this year due to the snow event from 2022-2023. There was more work in the streets resulting in an increase in wages and equipment costs which is reflected in the 2024 budget estimates. There are some capital projects in both the water and sewer funds and the staff is unsure if those will happen or not but we need to make sure funds are available if they do. The Ending Fund Balance in the Airport Fund is lower than he would like to see. All the other funds are straight forward.

**Cost Allocations of the Office Staff and Public Works**

City Administrator McDaniel explained to Council how the cost allocations for non-union wages are calculated. He explained that the total city expenditures and revenue from the Cash & Investment report drives the labor in the office. A five-year average is calculated, and the labor is then spread based on the percentage in the funds. The labor and equipment rental costs for the Public Works employees are based on data entered into the PubWorks program. A report is generated for the period of June 2022 through July 2023 as to what department each crewmember worked in. A percentage is calculated and used to populate 2024 labor and equipment rental costs.

**Central Services**

City Departments share City Hall facilities and resources. This fund is set up, so departments pay a percentage throughout the year to Central Services. Central Service expends payments for the maintenance and operation of City Hall.

**REVIEW AND DISCUSSION 2024 BUDGET BY FUND**

**Review and Discussion of 2024 Mayor's Budget**

Mayor Gagné informed Council they will begin reviewing each fund and if anyone has questions, we will address them. City Administrator McDaniel informed Council that Member Gaines found a significant error in the 2024 Electric Utility Tax revenue line. It was entered as \$40,000 and should have been \$400,000. Administrator McDaniel discovered a clerical error also. Revenue was entered twice in the Insurance Recovery revenue line. This reduced revenue by \$238,000. This resulted in an overall increase of \$122,000 to the Current Expense Ending Fund Balance.

Administrator McDaniel prepared a sales tax chart and shared that with the Council. The chart showed the trends over a ten-year period. He explained to the Council that the sales tax revenue continues to slowly trend upward. New revenues into the 2024 budget consist of grant funds from the Department of Commerce for Team ONE, funding from the Recreation Conservation Office for construction of the skate park and some revenue for a School Resource Officer. He informed the Council that the 2024 budget does not include revenue from the public safety tax that is currently on the ballot.

**Abatement Fund**

The council discussed with staff the abatement process and costs of previous clean ups. The council decided to increase the 2024 total fund expenditure from \$21,430 to \$30,000.



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**CORE Fund**

The council asked about the \$30,000 in overtime requested in the CORE fund. Police Chief Christensen explained the overtime was built into the grant to allow other agencies to come and assist with calls related to mental health. The overtime funds are also used for community engagement events. There was a question as to the line item "Rochelle's Bucket" in the CORE Fund. Administrator McDaniel explained it was a place holder for operating supplies. This will be cleaned up prior to the next budget workshop.

**Long Term Debt**

City Administrator McDaniel explained to Council the Washington State Auditor's Office has required Cities to break out leases. This fund reflects this new rule.

**Transfers**

The transfer to the Drug Fund from Current Expense increased from \$6,000 to \$10,600. This is due to an increase in the North Central Washington Narcotic Task Force agreement. Administrator McDaniel explained to Council that instead of a transfer to the Street Fund from Current Expense, property tax revenue was diverted to the street fund.

**Law Enforcement Services – Chief Christensen**

There was discussion about the School Resource Officer (SRO) that is included in the 2024 budget. Police Chief Christensen informed the Council the last time he met with the school they were offering seventy percent of wages only. The 2024 budget includes salary, benefits, equipment, and a vehicle for this position. Member Womack asked what the benefit would be to having an SRO. Police Chief Christensen explained that our children are our biggest investment. Member Womack understands but his question was more to the benefit of the City of Omak. The SRO can't be pulled from the school and is dedicated to the school district August through June and will have training in the summer months. The overtime for the officers was increased from \$92,000 to \$115,000. The Council questioned the police salary and benefit lines. There may be a clerical error and Clerk Thomas will review those lines.

**Care & Custody of Prisoners**

Police Chief Christensen said there are big changes in the care and inmate medical. One prisoner alone cost the city \$68,000 this year. He explained that the city bears the full cost of inmates who are charged with a misdemeanor. Chief Christensen reached out to City Attorney Howe for clarification on the inmate expenses. Member Womack suggested reaching out to Lords of London about an insurance policy for inmates as it may be less expensive. The inmate medical expense for the end of year increased from \$68,000 to \$98,000. Member Womack said we should be lobbying this and the cities having to foot the bill for an inmate who has a pre-existing condition. State prisoners are covered by Medicare and Medicaid, but Cities and Counties don't have this option.

**Communications, Alarms & Dispatch Services**

There was discussion about the costs and the increase in call volume for both police and fire. Omak is a high-volume entity so the costs for service will be higher than other agencies.

**Drug Fund**

Police Chief Christensen informed the Council that the North Central Washington Task Force Board met and the cost to participate has been flat since 1990. The Task Force could be losing funding in July 2024. To help them sustain, the city needs to help with funding.

**Fire Department**

Mayor Gagné informed Council that there was not a full-time fire fighter in this budget and that was done, on purpose. Fire Chief Patrick informed Council that he could give reasons a second full-time firefighter is needed but, he wants to be certain. When the budget process began, he was only six months into his position. He would like more time to get a better idea of how things are structured. Member Clark asked about the current fire protection contracts with Pascal Sherman Indian School and the 12 Tribes Casino. Fire Chief Patrick will be revisiting those contracts in 2024.

**Municipal Court**

Judge Ebenger joined the meeting via Zoom. He said that he came in late and that he doesn't have any questions. He has read the narratives, met with Mayor Gagné and City Administrator McDaniel and the budget is straight forward. He understands the request for Cost of Living (COLA) is still in flux and he asked Council to consider the same COLA for his position.

**Break 7:30pm - 7:45pm**



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Mayor Gagné brought the meeting back to order.

Member Cariker asked about the park lighting in the Capital Budget. She thinks it's a good idea but would like Public Works to contract that project. She also asked Public Works Director Beetchenow to look at items that can be contracted out so projects can move along. Mayor Gagné asked Mr. Beetchenow to look into the cost of a contract for the conversion of lights for the entire Eastside Park. Mr. Beetchenow has reached out to vendor CED and has not heard back.

**Park Facilities**

There was discussion about the request for a new full-time position in the Public Works Department for 2024. Member Gaines said her idea with the windfall she found in current expense is the need for playground equipment. Member Cariker suggested the replacement of the playground equipment in front of the city pool. She would like to see ADA equipment and a larger set. She suggested \$50,000 to be put into the budget for playground equipment. Public Works Director Beetchenow will do some research and provide the Council with costs at the next Budget Workshop. City Administrator McDaniel reminded everyone that the swimming pool is wearing out quickly and it's a big expenditure. Member Womack asked about the increase in the Tree Board line. The funds were increased to allow for heavy pruning of the downtown trees. Administrator McDaniel explained that a community group put the trees in and the maintenance defaults to Public Works. An arborist came and viewed the trees around the city. Mr. Beetchenow explained the trees will need care in the spring and fall and they are beyond their life. The council asked him to find out the costs to contract out pruning services and report back to them.

**Street Fund**

The increase in labor and equipment costs in this fund are due to the heavy snow event. There was discussion about how the labor and equipment are projected. There was discussion about taking a five-year average when the data is available.

**Hotel/Motel Fund**

There was some discussion about the recommendation from the Hotel/Motel Committee. There was a clerical error, and the spreadsheet was not included with the budget document. Clerk Thomas email the spreadsheet to Council. She was unable to share the spreadsheet because of a computer update taking place.

**Affordable Housing**

Administrator McDaniel explained that funds can be used for some street projects. This money can help with the extension of Jonathan Street.

**Block Grant Fund**

City Administrator McDaniel explained to Council that any revenue \$30,000 or less received into this fund will be moved into the general fund. If there are funds in this account and the city receives Community Development Block Grant (CDBG) funding, those funds must be used first.

**Stampede Revelopment**

City Administrator McDaniel informed Council the funds from the Okanogan County .09 money has ended. The city will be making payments on its' own for the next six years. There is an estimated \$354,000 owing and there is \$302,000 in this fund to make the last payments. He informed the Council that staff has been discussing in house on the age of the arena and needed maintenance. There has been discussion about turning this into a working fund to track Public Works costs.

**Capital Improvement Fund**

City Administrator McDaniel informed the Council that this fund is supported by Real Estate Excise Tax (REET) dollars. There are no expenditures anticipated for 2024 and the pool study should be completed this year. He recommends keeping reserves in this fund for a public safety building, public works shop and a swimming pool. The Council asked about the results of the public safety building study. Administrator McDaniel explained that the engineers came onsite and toured the building. Based on the age of the building, they did not move forward with the study.

Building Official Wells asked about replacement of the ball field buildings and dugouts. In the past, the sport clubs fundraised and built those facilities, and the city maintains them. Mr. Wells has put together plans for a new concession stand/announcer booth and is looking for donations and volunteers. Member Cariker would be interested in finding out the cost of those structures.

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**Airport Fund**

City Administrator McDaniel informed Council the Ending Fund Balance of \$51,000 is low and he will be keeping an eye on it in 2024. The projects in this fund are the Airport Layout Plan and the Taxiway Design and Construction. There is also funding for the south hangar design for \$175,000. The city will be seeking funding offset from the Okanogan County .09 funds to offset this project. The water reservoir should be complete this year and because of the delay with the reservoir construction, the Washington State Department of Natural Resources plan to construct their facility in June 2025. Member Gaines asked about the AV Gas fuel tanks. Public Works Director Beetchenow explained design and specifications had to be complete for the project. The installation of a JET A fuel tank will provide more supply during the fire seasons.

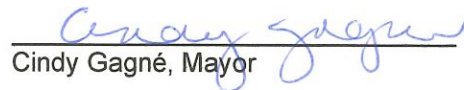
**PUBLIC COMMENT**

Ryan Buckner, Citizen of Omak was in attendance. Mayor Gagné asked if he wanted to speak. Mr. Buckner said although he doesn't live in City Limits, he does come into contact with citizens who do. He suggested that Council focus on funding law enforcement and abatement to get out of the downward spiral. He wanted to ensure if the Public Safety tax passes that those funds stay obligated to Law Enforcement. He also commented on the suggestion to purchase playground equipment. He said it would be a good visual for the community.

Adjourned 8:58pm



Connie Thomas, City Clerk



Cindy Gagné, Mayor