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**OMAK CITY COUNCIL  
BUDGET WORKSHOP MINUTES  
November 27, 2017 – 6:00 PM**

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**CALL TO ORDER:**

Mayor Gagne called the Omak City Council budget workshop for the 2017 Budget to order at 6:00 PM and everyone joined in the flag salute.

**COUNCIL AND ADMINISTRATIVE PERSONNEL:**

Michael Foth	Patrick Dalton, 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	

**RECAP OF 2018 CURRENT EXPENSE BUDGET:**

City Administrator McDaniel told Council that he felt during the November 13, 2017 Budget Workshop, he didn't get the information out for them to make good decisions. Since the last meeting, the Current Expense ending fund balance has changed. The sales tax is coming in really good and at \$19,000 ahead of last year with another month to come in. He increased the 2017 revenue line item to \$1,800,000 which is still conservative. He discussed the City Assistance and Building Permit Revenues that are higher than expected. The RV Park revenues are down and he attributes that to the large fire in Canada and the undesirables that have been in the park. He continued through each fund elaborating on the increase and decreases. He told Council that the last payment for City Hall will be in 2018. He stated that he would need Council's support to generate additional revenues. Staff has been discussing an annual business registration fee. Currently we charge a \$25 for the life of the business unless they relocate. The City is unable to track who is conducting business in our community with the current system. There has been discussion at the committee level to charge park fees. He also discussed future changes in the cost allocations for office staff.

Mayor Gagné asked each department for a recap. Fire Chief Bowling said that he had a full time firefighter in the preliminary budget that was removed with the Mayor's budget. He said the need has not gone away. He also said that for years, money was set aside to purchase a new fire truck and that has not been done. He expects in 2021 the City will need to purchase a new fire truck. The cost for a basic truck is \$450,000. There was discussion about potential grants and the expiring debt service to help fund a new truck.

Police Chief Koplín said the big change was deciding not to replace a patrol car in 2018. He will hold on to the Crown Vic. He also removed the expense of the Stampede Officers because he feels his department can patrol the event as they are at full staff. He has not filled the Records Clerk position. He feels it should be a full time position and the Mayor's Budget allows for a part time position. There was discussion on what impacts his department faces with a full time Records Clerk versus a part time. Chief Koplín also removed the expense for the Basic Training Academy. He is operating on the belief that no one is going to leave his department. Council asked to put a Record's Clerk in at the full time rate to see what the impact would be.

Public Works Director Mears discussed the RV Park online reservation program. The Mayor's Budget reflects one of two full time Seasonal Park employees. With the number of parks and cemetery the City owns, there is more than enough work. He wanted Council to be aware that with 210 acres to mow and restrooms to clean, the visual appearance may decline. There was discussion about a RV Park Camp Host and how they could help. Public Works Director Mears said the host would be more for greeting and keeping eyes on the park. He does not see them doing a lot of maintenance. Member Freel asked that the Seasonal Employee be put back into the Mayor's Budget.

Mayor Gagné asked Fire Chief Bowling if there was any hope of combining with the Okanogan Fire Department or a Fire District. Chief Bowling said there was discussion years ago but nothing came of it. He said that Fire District No. 3 was willing to contribute \$30,000 to the City of Omak for a full time firefighter. There was further discussion about ways to work with other agencies to fund a firefighter. Council asked to see what the impact would be to the budget if it included a full time Firefighter with a reimbursement of \$30,000.

City Clerk Thomas was asked about the unfilled Utility Clerk Position and how that was going. She explained to Council that when meeting with staff and working through the Mayor's Budget, she made the

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decision not to hire someone at this time. She explained to Council that she has been dealing with software issues that have taken a lot of time away from her current duties. All of the duties of the former Utility Clerk have been distributed and the girls are doing amazing. They just need time to find that balance. She is confident that Flora Rogers can handle the Utility Clerk position. Clerk Thomas said that Ms. Rogers knows all of her customer's and understands the basics of the software system and she is confident Ms. Rogers will do well in that position. Council asked about hiring an employee at this time. Clerk Thomas said that hiring someone, who is unfamiliar with the software system and office flow, would require more training time. With the current transition, this would take more away from her duties as City Clerk. She reminded Council that the 2018 Mayor's Budget includes a full time employee in the event it doesn't work out. She also wanted to bring to Council's attention the request to carpet City Hall and conference room was struck from the Mayor's Budget. She understands that it's a large expense but, we need to be mindful of the continued costs to upkeep a building of this size. The carpet in the conference room is beyond repair and needs to be fully removed and replaced. Within the City Hall offices, the carpet seams have been repaired on two occasions and are beyond patching. We have good size holes in some areas. She wants to ensure Council keeps in mind the additional money that will be needed for building maintenance. Council chose to leave the cost of carpet replacement out of the 2018 budget.

Mayor Gagné read a letter she received from Okanogan County Transportation and Nutrition requesting \$2,500 for their program. Council discussed the request and chose not to include any funds in the 2018 budget.

**REVIEW AND DISCUSSION OF 2018 CURRENT EXPENDITURE BUDGET:**

**1. Public Works:**

**Street Fund #102**

City Administrator McDaniel reviewed the revenue sources for the street fund and stated the street fund is healthy. The 2018 Mayor's Budget reflects three large projects. The City was notified by the Transportation Improvement Board that we were awarded grants for two of the three projects we applied for. The approved projects include a chip seal in the Ridge Drive area and the design portion of the Jasmine Street Project. The City is still working on the Engh Road Project. They have been discussing acquisition of right of way as the project design calls for a west bound lane from McDonalds to Omache Avenue. The City has talked with Okanogan County and the Department of Transportation to determine the direction of the project.

**Cemetery Fund #103**

The Cemetery is funded with an interfund transfer from Current Expense. The ending fund balance is expected to be \$7,581. There was an unexpected pump failure in 2017. Public Works Director Mears proposed an increase in burial fees. He shared the actual cost to the City for a full body burial and provided Council cost information from like cities. He felt our fees were low in comparison.

**Water Fund #401**

The Water Fund has a strong ending fund balance. The revenues were down in 2017 and that may be the result of a wet spring. City Administrator McDaniel is proposing a 3% increase in water rates. There was discussion about the 2018 projects and purchases in the Mayor's Budget. Council questioned the expenditure for the Coleman Butte Reservoir Mixer. They felt the cost was too low for the purchase and installation of the mixer and running power to the facility. Public Works Director Mears confirmed the cost and Council increase the expenditure to \$30,000.

**Sewer Fund #402**

The revenue has increased in this fund. Both the Infrastructure Committee and Finance Committee asked staff to adjust the sewer rates so the multi-unit customers are comparable to the residential rates. He said that this would generate about \$98,000. The expenditures include \$300,000 for the design of the Levee Sewer Main Project. City Administrator McDaniel said the City has a substantial reserve fund that will be used to fund sewer projects in cash. The levee sewer line was an identified line that has a high potential of failure. Member Clark expressed concerns about the Ironwood sewer line that was not complete. This line was part of the Phase 2B project and was not installed due to fiber optic lines that were placed on or near the sewer line. Public Works Director Mears explained that he is still working on this project. He has been talking to Century Link and city engineers about liability concerns.

**Storm Drain Fund #405**

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City Administrator McDaniel is proposing a 3% increase in this fund. This rate is included in the draft fee schedule he provided Council.

**Airport Fund #406**

City Administrator explained to Council that the ending fund balance in the Airport Fund was low. This fund relies on the Current Expense for funding. Public Works Director Mears is working on a new lease agreement with the Bureau of Indian Affairs Seat Base. The City is currently funding the Runway Rehabilitation Project for lighting and narrowing. He explained there are two payments left for the Through the Fence acquisition and staff is looking at fuel rates in the fee schedule. The airport revenue is largely dependent on the fire season. Council expressed concerns about the nominal fees charged for tie downs and the City having to fully fund an airport that benefits Okanogan County.

**Equipment Rental Fund #501**

**Equipment Rental Capital Purchase Fund #508**

The Equipment Rental Capital Purchase Fund had enough money which allowed for a reduction in 2017. 2018 fees will adjust again to be comparable to the average of past years. The fees collected in the Equipment Rental Fund are transferred to the Equipment Rental Capital Purchase to fund new vehicles. It's healthy.

**Review Remaining Funds:**

**Hotel/Motel Fund #105**

The Hotel Motel fund has an estimated ending fund balance of \$122,000. City Administrator McDaniel explained that revenue is down this year. He explained that funding for an events coordinator was approved by the Hotel Motel Committee. This is similar to what the City of Okanogan has been doing. There will be further discussion about this position before the money is allocated. City Administrator McDaniel explained to Council the Hotel Motel Committee approved \$30,000 to pay the Stampede Contract. He has since reduced this amount to \$15,000. The function of the Stampede is to bring tourism to the City but the arena is also used for the community. For audit purposes, he can justify half of the contract price paid by the hotel motel funds. Member Foth Chairman of the Hotel Motel Committee stated that Council can approve the change. Member Womack added that the online reservation program could be paid by hotel motel funds. City Administrator McDaniel explained that there was \$20,000 for the Public Works Department. Public Works spends a lot of time setting up for events like the Friendly Ok Car Show and Swap Meet, Art in the Park and other events. Public Works should be reimbursed for the actual costs spent preparing the parks for the events. There is also funding for a community float. It will be an advertising vehicle that will be taken to other communities to promote Omak.

**Block Grant Fund #109**

Staff is researching how this money can be spent.

**Stampede Arena Fund #110**

City Administrator McDaniel told Council the debt service has reduced by about \$7,000 since it was refinanced. The contribution from the Capital Improvement fund will be zero in 2018.

**Drug Enforcement Fund #111**

City Administrator McDaniel will be bringing an ordinance to Council to amend the Drug Enforcement Fund. There was an increase in the North Central Washington Task Force contract which resulted in an additional \$300 expended that was unanticipated.

**Capital Improvement Fund #301**

Real estate excise tax funds this account. The way allocations have been done in this fund will change in 2018.

**Garbage Fund #403**

There is a proposed increase of 5% to the sanitation rates for 2018. Sunrise Disposal has not asked for an increase in several years. The fund is losing money and the 5% increase will allow the City to break even. The contract with Sunrise Disposal has expired and staff would like to extend that contract and allow for a 2.5% increase. He also explained to Council the Department of Ecology awarded a grant to the City of Omak in the amount of \$10,000 for the biennium. This will help fund the fall clean-up and work with local partners and the Colville Tribe for a spring clean-up.

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**Review Miscellaneous Funds:**

**Water Assessment #407 & Water Cumulative Reserve #411**

City Administrator McDaniel explained that a twenty year agreement for the North Omak Reservoir had expired. The City of Omak will no longer charge for the water assessment and the balance in this fund will be moved to the Water Cumulative Reserve Fund.

**Sewer Cumulative Reserve #412**

City Administrator McDaniel stated that money will be transferred from the sewer fund bringing the reserves up to \$1,000,000.

**State Building Permit Fees #631**

**State Agency Deposits**

**Revolving Advanced Travel #633**

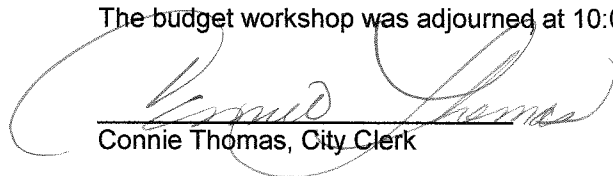
All of these funds are set up as non-revenue, money in and money out.

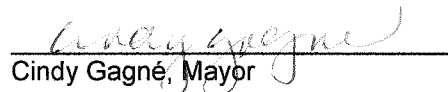
**Cemetery Endowment #700**

City Administrator McDaniel explained that the bond will mature next spring. The City will need to reinvest these funds.

Council discussed the changes made to the Mayor's Budget this evening. City Administrator McDaniel stressed to Council the numbers in the budget were strong and this budget does not include any capital. Council decided to leave the Records Clerk in at part time, added a Seasonal Parks employee. Council asked Chief Bowling to negotiate with Fire District No. 3 to fund a firefighter. Council left the firefighter funding out of the 2018 budget knowing Chief Bowling may come to Council with a proposal and request for funding.

The budget workshop was adjourned at 10:00 PM.

  
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Connie Thomas, City Clerk

  
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Cindy Gagné, Mayor