

# Town of Twisp

## Council Minutes – 12/13/22

Mayor Ing-Moody called the meeting to order at 5:32 pm.

Council Members present:     Aaron Studen - Remote  
  Alan Caswell  
  Katrin Auburn - Remote  
  Hans Smith  
  Mark Easton-Remote

Council Members absent:

### **Pledge of Allegiance**

Council Member Caswell led the Pledge of Allegiance.

### **Public Hearings:**

#### **2023 Final Budget Hearing:**

Mayor Ing-Moody opened the public hearing at 5:38pm

Mayor's 2023 Budget Message -

It is my honor and privilege to submit the Town of Twisp's 2023 Budget for all funds. 2022 has been a very full and productive year, including the town's largest capital construction project to date - the new Civic Building / EOC facility. Staff played key roles juggling their regular duties in addition to moving offices, and in some departments amidst a turnover in staff.

The development of budgets always comprises of much deliberation and consideration given to all aspects of town management. In uncertain times, as 2022 has become and 2023 expected to continue being, these considerations run even deeper. As we near year's end, we've seen markets rise and fall, continued speculation and talks of recession despite mixed financial indicators that do not align with how recessions have historically presented.

As we emerge out of the pandemic, war continues in Ukraine and unrest exists in many parts of the world affecting fuel and energy costs, upon which our global economy depends. Strong demand combined with ongoing supply issues has caused inflation to remain elevated, which is seen to potentially threaten and slow economic growth. Rising interest rates has cooled the housing market and consumer spending.

Although Washington State weathered the pandemic relatively well economically, unpredictable foreign markets have recently signaled the need for conservative revenue assumptions. Additional state-wide indicators include the cutting of tens of thousands of jobs at Amazon and the tech industry, which is anticipated to heavily affect western Washington. However, we know our economy at the local level is inextricably linked to what happens elsewhere in the state, so prudent consideration depends on expert economists' financial forecasts to act as guideposts. Dr. Steve Lerch, Executive director and Chief Economist with the Washington State Economic Revenue Forecast Council has taken a cautiously

optimistic and conservative approach moving into 2023 due the “high degree of uncertainty” on the horizon.

As with all previous years’ budgets, for Twisp, we approach each year looking at the unique conditions anticipated in the year ahead and the FY2023 budgets have been developed in reflection of the circumstances as described.

My special thanks go to the members of our Finance Committee, Councilmembers Hans Smith and Mark Easton for their patience as construction, moving, and staffing shortages delayed the production of budget drafts this year. Their understanding, cooperation, and diligence in making time on short notice to still provide the timely and critical review needed is much appreciated, as is their usual attention to detail and thoughtful conversation on all aspects of the budget.

My special appreciation also goes to our Clerk/Treasurer, Randy Kilmer. His skill and ability to quickly comprehend the importance of improving the budget process and document deserves noting. His willingness to continue learning the intricacies of municipal finance has and will continue to ensure that an accurate and transparent accounting system is in place for this and future budgets moving forward. The proposed 2023 budget is established based on projected revenues for the coming year and is consistent with economic forecasts for the nation, Washington State, and knowledge of local trends based on available data.

Expenditure projections have been made based on anticipated costs associated with general operations, maintenance, and known new projects and priorities for the upcoming year.

The FY2023 General Fund Budget is balanced at \$1,549,096.27, minus \$158,039.23 combined 2022 ending year/2023 beginning fund balances.

The Street Fund is balanced at \$77,234.74.

The Transportation Benefit District (TBD) is balanced as a separate fund with revenues and expenditures at \$88,697.73.

The Water Fund is balanced at \$846,639.18 with a 5.5% increase; and the Water Fund Reserve at \$154,351.39.

The Sewer Fund is balanced at \$686,177.96 with a 5.5% increase; and the Sewer Fund Reserve at \$267,138.12.

### **Revenue Assumptions:**

The financial projections for FY2023 reflect a conservative outlook in line with regional, state, and federal forecasts. Budgets are anticipated to remain somewhat stable from a year ago.

Although Covid-19 remains an everyday factor, economic impacts directly related to Covid-19 have stabilized, while impacts associated with inflation and the threat of a recession are possibly yet to be realized. For the near term, regional employment remains stable as do projected local sales tax revenues.

### **Expenditure Assumptions:**

The FY2023 General Fund expenditures reflects the priority of this administration to provide a strong and capable workforce. Employee retention is vital to the effective functioning of public services, especially in a highly competitive market. As inflation rises, the cost-of-living increases as wages struggle to keep pace. For this reason, all non-negotiated positions will receive a 4.5% wage increase, subject to performance.

In addition to increases in wages, is the unprecedented rise in insurance coverage of 78.7% that continues and is a major contributing factor impacting the 2023 budget. Although this increase has been largely explained to be a result of increased risk and liability for law enforcement coverage, this increase has had a significant impact on all of the town's main budgets: general fund, water, sewer, and streets.

Aside from the above factors, expenditures remain extremely modest; spending priorities continue to focus on solely ensuring the provision of ongoing, quality public services.

## **Departmental Summaries**

### General Administration / Clerk's Office

Administrative staff in the Clerk's office comprises of two full-time staff – a Clerk/Treasurer (C/T) and a Deputy Clerk, and one part-time Administrative Assistant. In 2022, the Deputy Clerk position reports once again to the C/T, as does the Administrative Assistant. We are once again fully staffed and have an excellent team working together to provide the very important administrative and support services to the public, Mayor/Council, Building and Planning Departments, and the Town's many committees.

Our increased reliance on technology continues to require the necessary maintenance and cyber-protection oversight; as such there are some increased expenditures in this department as a result. These costs are expected to continue as necessary business expenses.

### Public Works

The Public Works Department comprises of six full-time staff including a Public Works Director, a Lead Operator position, and 3 Operators. Additionally, we have a newly defined Public Works Department Assistant position; this is not a new position, however, additional duties have been assigned, which has resulted in a step up in pay commiserate with the additional tasks. We are excited to have the department running very efficiently, especially with these adjustments.

A physical change is the move of the Public Works Director's Office to the new Civic Building, which will enable greater efficiency in inter-departmental collaboration and communication.

Projects for the coming year are modest and largely dependent on our success in receiving grant funding. Plans are in place to continue to build on work completed in the last several years, including the proposed replacement work of outstanding deficient sewers and a construction project for Well #4, along with some needed water line replacements, which with the assistance of some grant funding, will also mean repaving of 4<sup>th</sup>, 5<sup>th</sup>, and Lincoln to coincide with this work. Keeping in line with necessary maintenance is crack sealing for some town streets and, hopefully, the airport runway.

### Police

The Police Department comprises of a part-time police clerk, and three full-time officers, consisting of two unionized officers and one police chief.

In 2023, the town will undergo the search for a new Police Chief; as Chief Budrow moves into his new position as Okanogan County Sheriff, we wish him all the best and look forward to working with him in his new elected position. There will be an Interim Police Chief appointed, which is expected to begin soon after the new year; who will remain in place until the search committee finds a suitable replacement for the Chief position. The focus of the committee will be to find a quality candidate to lead the department, meeting the needs of the administration and community.

### Fire

Negotiations continue for potential annexation in Fire District 6. Pre-annexation deliberations are nearing an end as agreement is largely being reached between parties; it is expected that a ballot measure will be ready for the community to vote on in the coming months. As such, Fire District 6 has been gracious to extend the current 2022 contract terms and pricing without change amounting to \$60,000 for FY2023.

### Planning / Building

The Planning and Building Departments comprise of part-time contracted work with Highlands Associates, Kurt Danison for planning services and with Okanogan County for the building inspector services of Dan Higbee. There has been a proposed increase to wages for planner, while the contract for building inspector remains the same as FY2022.

The total budgeted amount for the Planning Department in FY2023 is \$28,400.

The total budgeted amount for the Building Department in FY2023 is \$30,191.41.

### Airport

The FY2023 airport budget is \$17,424.45, which reflects revenues including leases, incorporating the allowable 3% increase of one outstanding leaseholder who has not chosen to adopt the latest lease agreement.

Work will continue regarding discussions surrounding the potential for a privately owned fuel tank and minor repairs to crack seal the runway. We are thankful for conversations with the Twisp Airport Advisory Board members regarding processes important to the management of the airport.

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In summary, FY2023 is anticipated to be one of continued optimism while prepared to adapt to changing conditions, as warranted.

With potential growth in the local housing sector, if not slowed too much by economic conditions in the coming year, there remains a potential for increased demand for municipal services with the town's administration and staff poised to maintain strong delivery of all vital services.

The future for Twisp is very bright as we welcome the new year. I am thankful for the many blessings of strength and community apparent in our small town and believe that together we can truly achieve

anything if we continue to work together to create the strong and vibrant community we desire for the future.

Thank you for the opportunity entrusted to me as I present the FY2023 budgets – balanced in all funds!

Mayor Ing-Moody asked the council if they had any comments or discussion, hearing none she asked if any member of the audience wished to comment. Hearing none, Mayor Ing-Moody closed the public hearing at 5:51 PM

### **CDBG- Sewer Project Public Hearing**

Mayor Ing-Moody opened the public hearing at 5:51 PM. Mayor Ing-Moody asked the council if they had any comments or discussion. Hearing none she asked if any member of the audience had and comments, hearing none, Mayor Ing-Moody closed the public hearing at 5:52 PM

### **CDBG- Civic Building/EOC**

Mayor Ing-Moody opened the public hearing at 5:53 PM Mayor Ing-Moody asked the council if they had any comments or discussion, hearing none she asked if any member of the audience had any comments. Hearing none, Mayor Ing-Moody closed the public hearing at 5:53 PM

### **Request for Additions or Deletions to the Agenda**

N/A

### **Public Comment Period: Up to Three Minutes**

Isabelle Spohn, a Twisp resident, commented on the potential growth slated in Twisp and the number of hours the Town's planner is contracted for this upcoming year. She stated that we need actual affordable housing in the Methow and is questioning who has a grasp on the overall task. She is worried about the number of units needed for affordable housing. She is wondering if four hours per week enough time for the Planner with all the projects going on. She has called the Town of Winthrop and was told that their Planner is hired for 32 hours per week. She is very concerned about timing. She is also wondering if the new housing is going to be affordable, as she is worried about people buying the houses then turning around and selling them for a higher price, essentially negating the affordable housing.

Mayor Ing-Moody thanked her for her comment and responded that this is that is a top priority for the Town, and that this potential growth is being given much consideration. She stated that we have considered contracting the Planner for more hours, but it comes down to funding constraints. Mayor Ing-Moody also stated that Twisp and Winthrop have rather different budgets noting that the comparison should take that into account.

### **Mayor's Report**

Mayor Ing-Moody reported that the budget has been the top priority and she is happy to have it completed and up for approval. She also noted that with the holidays coming up, Town Hall's hours will be adjusted. Town Hall will be closed Friday December 23<sup>rd</sup> and Monday December 26<sup>th</sup> in observance of Christmas.

Town Hall will also be closed Monday January 2<sup>nd</sup> in observance of the New Year holiday. She stated the final council meeting of the year is scheduled but will likely be limited to consent agenda for payroll and accounts payable.

**Staff Reports**

Clerk Kilmer reiterated the holiday closure dates. He also welcomed Heather Davis as the new Deputy Clerk and is excited that Town hall is fully staffed. Clerk Kilmer also mentioned that he is very excited to take on the new year.

Chief Budrow reported that law enforcement is doing well. He stated that we are going into a deep freeze next week and because of that the snow load will be very heavy, which has already caused people to lose buildings. He also stated that the roads are going to be slick and icy and reminded everyone to drive slowly.

**Commission/Committee/Board Reports**

Council Member Smith reported that the Finance Committee has met twice since the last meeting to look at details for the 2023 proposed budget and commends the administration and the administrative staff including Clerk Kilmer for rapidly preparing the budget. He stated that the budget is well thought out and addresses programing needs for the next year. He is looking forward to the retreat to discuss projects and staffing and the future of the Town.

Council Member Smith also reported on a recent Facilities Committee meeting wherein the committee discussed the request for a fuel depot at the airport and the stipulations from the Town’s insurer for that project. The Committee will be working to draft an agreement for review by the Airport Advisory Board for future use with any party wishing to construct and operate a fuel depot at the Twisp Municipal Airport.

**OLD/NEW BUSINESS**

**Discussion/Action: Ordinance #793 – Budget Amendment #2 2022:**

Council Member Smith made a motion to adopt the Ordinance #793 as presented. Council Member Caswell seconded the motion. The motion was passed unanimously.

**Discussion/Action: Highland Associates Contract 2023:**

Council Member Smith made a motion to approve the Highland Associates Contract 2023. Council Member Caswell seconded the motion. The motion was passed unanimously.

**Discussion/Action: Twisp/OK County Fire District 6 - Interlocal Agreement for Fire Protection 2023 Extension:**

Council Member Smith mad a motion to approve Fire District 6 Interlocal Agreement 2023 Extension. Council Member Auburn seconded the motion. The motion was passed unanimously.

**Discussion/Action: Methow Valley Community Center - Library Lease 2023:**

Council Member Smith made a motion to approve the Methow Valley Community Center Library Lease 2023. Council Member Caswell seconded the motion. The motion was passed unanimously.

**Discussion/Action: Twisp Chamber of Commerce Contract 2023:**

Council Member Smith made a motion to approve the Twisp Chamber of Commerce Contract 2023. Council Member Auburn Seconded the motion. The motion was passed unanimously.

**Discussion/Action: Simple Power IT Contract:**

Council Member Smith made a motion to approve the Simple Power IT Contract. Council Member Caswell seconded the motion. The motion passed unanimously.

**Discussion/Action: OCTA Franchise Agreement:**

Council Member Smith made a motion to approve the OCTA Franchise Agreement. Council Member Caswell seconded the motion. The motion passed unanimously.

**Discussion/Action: TIB 2-E-886(006)-1 – 2022 Overlay Projects:**

Council Member Caswell asked which projects are covered under this grant. Clerk Kilmer stated that the projects are Lincoln, 4<sup>th</sup>, and 5<sup>th</sup> streets.

Council Member Smith made a motion to approve the TIB 2-E-886(006)-1 2022 Overlay Project. Council Member Auburn seconded the motion. The motion passed unanimously.

**Discussion/Action: Resolution #22-699 - 2023 Fee Schedule-**

Mayor Ing-Moody noted that this fee schedule does include the 5.5% increases in water and sewer rates per the proposed 2023 budget.

Council Member Smith made a motion to approve Resolution #22-699 2023 Fee Schedule. Council Member Caswell seconded the motion. The motion passed unanimously.

**Discussion/Action: Resolution #22-700 - 2023 Salary Schedule-**

Council Member Caswell made a motion to approve Resolution #22-700 2023 Fee Salary Schedule. Council Member Smith seconded the motion. The motion passed unanimously.

**Discussion/Action: Resolution #22-701 – Personnel Policy Revision-**

Council Member Smith pointed out a mistake in the resolution as presented, that the intention of the policy change related to the last revision, not the exhibit put forward for approval at the current meeting. Clerk Kilmer took responsibility for the mistake, explaining that it was a copy/paste error, and that the resolution could be adopted with a motion to correct the intention stated.

Council Member Smith made a motion to approve Resolution #22-701 2023 with a change to the intention portion to relate to compensatory time. Council Member Caswell seconded the motion. The motion passed unanimously.

**Discussion/Action: Ordinance #794 - 2023 Final Budget:**

Council Member Smith made a motion to approve Ordinance #794- 2023 Final Budget. Council Member Caswell seconded the motion. The motion passed unanimously.

**Consent Agenda**

- Accounts Payable/Payroll

Vouchers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing, which has been made available to the Town Council. The following voucher/checks are approved for payment by a majority vote on this 13<sup>th</sup> day of December 2022.

Accounts Payable	Checks #37465-37506	\$127,076.10	12/13/2022
Accounts Payable	EFT N/A		
Payroll	Trans 2700-2714, 2729-2730, 2732, 2736-2737, 2733	\$70,321.24	12/13/2022

Council Member Caswell moved to approve the consent agenda as presented. The motion was seconded by Council Member Auburn and passed unanimously.

**Adjournment**

There being no further business to come before the Council, Mayor Ing-Moody adjourned the meeting at 6:18 PM

**APPROVED:**

  
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Mayor Soo Ing-Moody

**ATTEST:**

  
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Clerk/Treasurer Randy Kilmer