

# Town of Twisp

## Council Minutes – 12/08/2020

Mayor Ing-Moody called the video conference meeting to order at 5:31p.m.

Council Members present via phone/video: Aaron Studen  
Mark Easton  
Alan Caswell  
Hans Smith  
Hannah Cordes

### **Pledge of Allegiance:**

Council Member Caswell led the Pledge of Allegiance.

### **Additions/Deletions to the Agenda:**

N/A

### **Public Comment:**

Mayor Ing-Moody asked both Clerk/Treasurer Kilmer and Deputy Clerk Grennell if any public comment had been received prior to the meeting. They both verified that none had been received.

### **Mayor's Report:**

Mayor Ing-Moody reported that she continues to attend meetings and is just continuing along to complete this year. She said she thought she would cancel the next Council Meeting on December 22<sup>nd</sup> as is usually done this time of year but feels that since we are meeting remotely it wouldn't be too much of a hardship to have Council. She met earlier in the day with department heads and they agreed to continue with the meeting.

### **Staff Reports:**

Council Member Easton asked Director Denham about the spot at the end of Canyon St/Hwy 20 where the sidewalk plowing just sort of stops. He said that people are having to walk into the street to go around the mound of snow to get to the crosswalk. Director Denham thanked Easton for the feedback and said they will come back and fix that.

Chief Budrow reported that during this time of year, suicides usually increase. He wanted to make sure that everyone is checking on their family and friends and to let him know if anyone is needed help. He said they continue to conduct well-checks on individuals as needed.

### **Commission/Committee/Board Reports:**

Council Member Easton reported that he attended the Twisp Economic Revitalization Committee meeting earlier in the day. He said they spoke about Wayfinding Signage as there is a committee meeting on

Thursday. He said they also spoke about the round about that is gaining interest. Mayor Ing – Moody reported that they also spoke about the grant that was awarded to the Creative District that will be used for the Wayfinding project. She said they also spoke about the Civic Building and the need to potentially partner with others for the plaza space outside and it will need to have landscaping and other ideas for community use.

**Presentation: Community Climate Action Plan – Joshua Porter:**

Joshua Porter gave a presentation on the Community Climate Action Plan, and Jasmine Minbashian was also in attendance.

**OLD/NEW BUSINESS:**

**Discussion/Action: Wastewater System Improvement Summary:**

Director Denham gave the following summary on the Wastewater System Improvement:

**Summary**

- Twisp is currently working on comprehensive wastewater system improvements for upgrading and rehabilitating the Town's aging system
- Critical improvements needed to ensure systems remain serviceable through the future 20-year planning cycle and beyond, for existing and future customers
- Two project phases have been identified and are at different stages of planning and implementation. The two phases are:
  - Phase 1: rehabilitation of portions throughout the Town's sewer collection system and upgrades to the biosolids dewatering facilities located at the Town's main treatment plant. Project cost \$3.59 million
  - Phase 2: comprehensive upgrades to the Town's overall wastewater treatment plant. Project cost = \$7.15 million
- The following provides a summary of the basic projects, planning status, funding and potential rate impacts

**Phase 1: Wastewater Collection and Biosolids Upgrades (Project Cost = \$3.59 million)**

- Phase 1 critical collection and treatment improvements address those critical elements that have an immediate need and time is of the essence in implementing them to insure continued uninterrupted operation of the Town's sewer system. The improvements ensure serviceability for the next 20-year planning period and beyond
- Description of improvements:
  - Sewer collection system critical repairs and upgrades:
    - Sewer main spot repairs
    - Sealing of manholes
    - Trenchless lining of failing sewers
    - Sewer main replacement, where other rehab means not feasible / practical
  - Upgrade of Lift Station #2 (LS#2) within the sewer collection system

- Pumping equipment upgrade/replacement, electrical and control upgrades, and auxiliary power generator replacement
    - LS#2 is Twisp’s most seriously inadequate deficient lift station
    - Has not been upgraded since 1974 (46 yrs) and has a high potential for failure and raw sewage overflow onto the ground and into the Methow River
    - LS#2 poses health and safety risks to the public and Twisp maintenance personnel
  - Upgrade of the existing biosolids facilities at treatment plant
    - Replacing existing screen with dewatering screw press, construction of storage area for dewatered biosolids, year-round biosolids beneficial reuse operations to the Boulder Park Project Beneficial Use Facility
    - Existing biosolids facilities are overloaded
    - Continuing to worsen as the Town grows
    - Existing system is inefficient / lacks winter storage
    - Main treatment plant effluent quality becomes unstable as solids increase in the aeration basin near the end of the winter season
- Phase I Status
  - Planning is complete / regulatory agency Dept of Ecology (ECY) approved
    - Approved planning document on file: “*Town of Twisp, General Sewer Plan*” – December 2019, VARELA Engineering & Management
  - The project improvements (\$3.59 mil) are fully funded, and project implementation is being initiated
  - Design phase will occur over 2020-2021 winter. The construction phase will occur partially in 2021, and the remainder in 2022
- Project Funding and Potential Rate Impacts
  - The project is fully funded as follows:
    - Rural Development (RD) loan = \$915,000
    - RD grant = \$1,776,000
    - Community Development Block Grant (CDBG) = \$900,000
    - Total = \$3,591,000
  - Loan / grant ratio:
    - Loan = 25%
    - Grant = 75%
  - Estimated rate impact:
    - Loan amount \$915,000
    - Estimated sewer rate impact = \$4.2/month/residential connection

**Phase 2: Wastewater Treatment Plant Upgrades (\$7.15 million)**

- Phase 2 provides comprehensive upgrades of Twisp’s main wastewater treatment plant to address:

- Critical upgrades needed for increasing treatment plant capacity to serve projected wastewater needs for the next 20-year planning period. The existing treatment plant is projected to reach current treatment capacity in 2023
- Critical upgrades of existing plant equipment components, controls and electrical systems that are obsolete and at the end of their service life; and, needed to maintain plant serviceability for the next 20-year planning period and beyond
- Description of improvements:
  - Biological process upgrade expansion. Upgrade components include: adding selector tanks and mixers; modifications to aeration basin and clarifier components for capacity increases, associated electrical and control systems for improvements, and misc. site improvements
  - Existing treatment upgrades and modernization for future serviceability: process sludge pumping (RAS/WAS) and piping upgrades, plant SCADA & PLC upgrades, plant water supply cross connection control, UV disinfection system replacement, office-laboratory improvements, and misc. site upgrade improvements
- Phase 2 Status
  - Planning is complete / regulatory agency Dept of Ecology (ECY) approved
    - Approved planning document on file: "*Town of Twisp, Wastewater Facility Plan*" – September 25, 2020, VARELA Engineering & Management
  - Funding procurement in progress
    - Initial ECY funding application (\$779k – 50% grant/50% loan) for design phase costs submitted to ECY in Oct. 2020
    - Announcement of funding awards by ECY will be made in January 2021
    - Design phase in 2021 – target for construction to be in 2022 and/or 2023
    - During the design phase, pursuit of implementation funding will begin (i.e. \$7.15 million, less the \$779k for design phase shown above).
    - A tech team meeting with funding agencies is planned for Jan 2021
- Potential Future Rate Impacts
  - User rate impacts will be dependent on the funding package Twisp winds up securing, during the funding procurement process in 2021
  - A combination of six funding scenarios were prepared and included in the "*Town of Twisp, Wastewater Facility Plan*" referenced above. See Tables 7-7 and 7-8
  - Estimated rate impacts could range from \$45/month/residential connection, if funding is 100% loan, down to an estimated \$7/month/residential connection, if significant grant funding is procured (78%)
  - As with the collection system project where 75% grant was received, significant grant awards are within the realm of expectation for the Phase 2 treatment project
  - Multiple other funding scenarios exist, and variations will likely emerge during the funding acquisition process

**Discussion/Action: Associated Earth Sciences Incorporated Contract:**

Director Denham stated that by hiring this company it insures we have the level of expertise needed to drill a new well. He said the water systems improvement loan will pay for the majority of the costs associated. He feels confident that this will be successful.

Council Member Smith moved to approve the contract with AESI as presented with attorney's amendments. The motion was seconded by Council Member Caswell and passed unanimously.

**Discussion/Action: Ordinance #763 – Emergency Variance TMC 15.20.070:**

Council Member Smith moved to approve Ordinance # 763 as presented with attorney's amendments. The motion was seconded by Council Member Easton and passed unanimously.

**Discussion/Action: Ordinance #764 – Amending TMC 13.05,13.10, and 13.20:**

Council Member Smith moved to approve Ordinance # 764 as presented. The motion was seconded by Council Member Caswell and passed unanimously.

**Discussion/Action: Ordinance # 765 – 2020 Budget Amendment:**

Council Member Smith moved to approve Ordinance # 765 as presented. The motion was seconded by Council Member Easton and passed unanimously.

**Discussion/Action: Ordinance #766 – 2021 Final Budget Adoption:**

Mayor Ing-Moody read the following Budget Message aloud:

It is with great honor that I submit the 2021 Budget for the Town of Twisp. I would like to express my respect and gratitude of all our town's Department Heads for their hard work in shaping, reshaping, and yet reshaping again their budgets to reflect the uncertain times we live in. It has been a most challenging budget to balance as we work with the knowledge of the continual and ever-changing uncertainty as a result of the varied impacts of the Covid-19 pandemic on our community, economy, and how services are performed in response to this health emergency.

My special thanks go to the members of our Finance Committee, Councilmember Hans Smith and Councilmember Mark Easton who have worked tirelessly throughout this past year as we've together tracked the financial toll this pandemic has placed on our revenues. Their dedication and particular attention to detail has made the budget process a very thoughtful and thorough attempt to incorporate best practices while establishing essential priorities for the upcoming year.

Additional acknowledgement goes to our Clerk/Treasurer, Randy Kilmer, whose ability to respond with calculations and computations to the myriad of financial considerations made throughout the process to aid me, department heads, and the Finance Committee proved to be invaluable in finetuning the budget.

The proposed budget is established based on projected revenues for the year FY2021, consistent with economic forecasts for the nation, Washington State, and knowledge of local development trends based on actual available data.

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

The FY2021 General Fund Budget is balanced at \$942,783.97 in revenues and expenditures.

The Street Fund is balanced at \$243,754.92 which includes Transportation Benefit District (TBD) revenues and expenditures of \$62,162.00.

The Water Fund is balanced at \$650,909.00 with a 1.5% increase; and the Water Fund Reserve at \$331,892.36.

The Sewer Fund is balanced at \$583,160.00 with an 1.5% increase; and the Sewer Fund Reserve at \$327,360.06.

**Revenue Assumptions:**

The general financial projection for FY2021 is predicted to be reflective of the ongoing uncertainty as experienced beginning in FY2020 amidst an ensuing pandemic. Though a vaccine is expected to be released in the coming year, it is anticipated that there will be minimal relief at the local level as it will simply take time before its effects can be realized. As such, the Town's revenues are conservatively anticipated to reflect reduced revenues as had been witnessed in 2020.

The General Fund is anticipated to be especially affected as sales tax revenues are directly correlated to local business vitality. Closures and reduced service due to Covid precautionary measures to distance has played a role as local restaurants have primarily been open for take-out only, while bars have been closed. Other sectors of the Twisp economy, including businesses like spas and salons whose services require close contact have also been severely impacted, thereby further impacting Twisp's overall economy.

As is not customary, in such uncertain times a portion of the expected beginning fund balance is used to balance the FY2021 General Fund budget. This decision was reached as a result of the understanding that audit costs had originally been budgeted for the FY2020 year – an expenditure which is not to be realized and therefore to be largely expended in FY2021; and the desire, if possible, to keep General Fund Reserves intact going into 2021.

The revenue assumption for 2021 is one of caution. It is recognized that the Town's two largest revenues impacting the General Fund: sales tax and property tax may be further adversely impacted from 2020 as the pandemic continues and property owners and / or business owners attempt to ride out these economically challenging times. The finance committee is aware that many scenarios could still unfold as a result of the pandemic, especially if local unemployment becomes a growing issue.

However, there may also be yet-unrealized new opportunities in the new year. To offset any potential property tax concerns is a noticeable trend within the region for new construction as the area is deemed a desirable place to live away from larger west-side urban centers. There is ample opportunity for housing

and business development in Twisp for those with means. Sales tax revenues may also be alleviated as businesses learn to pivot and find new ways to provide services and / or discover new business opportunities in Covid times. For the time being, the FY 2021 budget is cautiously conservative and will be closely monitored as the year unfolds and allow for amendments as needed.

**Expenditure Assumptions:**

The FY2021 General Fund budget includes some notable changes to expenditures as associated with the municipal pool.

As is always the case with expenditures, the budget reflects the Town's priorities, projects, and contractual cost increases associated with the essential protection and functioning of town assets and services such as a 4% increase in medical insurance; 5% increase in property and liability insurance; 4.8% increase to financial and software services. These increased costs are market driven and beyond the Town's control.

Budgeting during a recession amidst a still unfolding pandemic has caused some difficult decisions to be made regarding the delivery of certain municipal services. Despite the cutting of costs where possible, the FY2021 General Fund budget is balanced only with the intention of not opening the municipal pool in 2021. This decision was reached following the review of several financial scenarios implementing "modified" opening protocols to meet public health and safety guidelines. Each scenario resulted in reduced revenues and increased expenditure costs for a pool opening during a pandemic. The decision to not open the pool was further supported by the consideration that a re-opening would also assume a greater level of risk (further exposing additional potential financial risk). Due to the pool not opening, the Wagner Trust funds are also not being used in FY2021 and will be deferred for future use.

The greatest priority for 2021 is to ensure that all Town staff continue to be employed. As a small town every position serves a valuable purpose in the efficient delivery of services to our residents and businesses. Despite the anticipation of potentially declining revenues, all positions are budgeted to be intact without necessary furloughs. There are no pay increases budgeted for the year, however, a couple of positions in police and public works have been modestly increased to reflect market norms and position duties. Additionally, it is recognized that the ability to keep critical positions intact during these challenging times goes to further the economic resiliency of our community as a whole.

As always, the budget works in tandem with the planned priorities as established together by the Mayor and Council through Committee work. One such priority for 2021 is the planned construction of the new Civic Building / EOC. It had been anticipated that construction of the Civic Building would have already commenced in 2020, however, largely due to Covid, the lowest construction bid came in 25% higher than projected, requiring the Council to reject the bids and spend the year value engineering the plans to reduce costs. It is planned that construction bids will come in within acceptable budget parameters allowing construction to commence in spring 2021. The associated cost of temporarily relocating town hall during construction is reflected in all the town's 3 main funds – general, water, and sewer.

The FY2020 General Fund budget had included a line item of \$23,000 for an audit review by the State Auditor's Office. The Town is typically audited every 2 years and we are due in the upcoming year. We have been informed that an additional financial audit will also be performed as we have reached the

threshold of \$2M in the budget. This is an increased cost to the town for FY2021. As mentioned in the revenue assumptions, this audit had been scheduled for FY2020 but due to a delay at the Auditors Office will not commence until December 2020 and therefore reflected in the FY2021 budget.

In summary, as a Town we strive to deliver the highest level of service possible with the available resources at hand. The continued employment of staff and the uninterrupted delivery of vital services will provide the foundation necessary for our residents and businesses to recover as swiftly as possible from the economic impacts of this ongoing global health emergency.

### **Departmental Summaries**

#### General Administration / Clerk's Office:

The Clerk's Office comprises of two full-time staff – a Clerk/Treasurer (C/T) and a Deputy Clerk/Office Manager (DC/OM), and a part-time Administrative Assistant. Both full-time positions report directly to the Mayor; the C/T as head of finance, assets, and liabilities and certain clerical matters while the DC/OM is head of general administrative clerical functions and office management matters including the oversight of the Part-time Administrative Assistant.

Spurred by the Covid-19 pandemic, the Town continues to adapt to embracing greater use of technology, enabling remote work capability, protection of financial information and data, improvements where possible in the use of best practices, and enhanced cybersecurity protection as provided through contracted services.

Improved communication with the community will come through the use of social media and through the use of community partnership platforms where applicable and appropriate.

#### Public Works:

The Public Works Department comprises of five full-time staff (Public Works Director, Administrative Assistant, and three Operators). As this department continues to focus on addressing overdue maintenance issues, improving and maintaining the town's infrastructure and machinery in good condition and working order, and to enable efficient project management - changes to roles and responsibilities will continue to be assessed throughout the year as needed and changes made to adapt to departmental needs for improved oversight of projects and efficient delivery of services.

The 2021 year will comprise of several large projects for the department, including the much-anticipated demolition and construction of the new Civic Building / EOC; completion of the SR20/North-end sidewalk project; the Canyon Street / SR20 Crossing project; and Phase 1 construction of the Sports Complex project; West Twisp Avenue water/sewer road reconstruct project; sewer collection Phase 1, including biosolids, lift station 2 improvements, and sewer main rehabilitation; replacement of Well #4; and the completion of the fourth and final phase of the town's water improvement projects.

Street maintenance and repairs will continue throughout 2021, as part of ongoing public works duties, while a new wayfinding signage project will also be completed in association with grant funds received through the Creative District. This project is an example of the Town's continued emphasis to maximize



efficiency and be cost-effective by leveraging other funds. As such, partnerships continue to be encouraged with recognized agencies and organizations.

Police:

The Police Department continues to be a vitally integral part of our community, especially during an emergency. The ensuing pandemic continues to be a catalyst for increased anxiety in many members of the community. The police department will continue to respond to emergency mental health related calls and well-checks for seniors during this challenging time.

Although an assessment of fair compensation was reviewed for all positions and adjusted for in FY2020, our newest officer's wages remained slightly below the desirable range and is adjusted in FY2021 to ensure regional competitiveness.

As the national shortage of good and qualified law enforcement continues to grow, small communities must remain competitive, not only with fair compensation, but with the facility and resources necessary to promote a safe and healthy work environment for our officers. The Twisp Civic Building / EOC, when completed, will be such an asset to the department.

Since the health and public safety of the community remains a primary goal of the department. To ensure community policing is effective, the department will continue to discuss and develop new strategies to enhance positive police relations during this time of national emergency.

Fire:

The Town continues to contract with Okanogan County District 6 for fire protection. The FY2021 General Fund budget includes the contracted amount of \$53,700 – remaining the same as FY2020. The District has agreed to extend the contract by a year without an increase to enable good-faith negotiations to commence in 2021 regarding the potential annexation of Twisp into Fire District 6. As always, additional costs for a public safety secretary, insurance and liability for related facility and equipment expenses contribute to the overall fund amount totaling \$70,913.79 for FY2021. Ongoing debt service payments are not included with this calculation.

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. No changes to either contract have been proposed for 2021.

The total budgeted amount for the Planning department in FY2021 is \$23, 170.

The total budgeted amount for the Building Department in FY2021 is \$24, 350.53.

Airport:

As in previous years, the Twisp Municipal Airport FY2021 budget reflects a 3% increase, as allowable under the older/current Airport Lease contract. A new lease agreement has been adopted by the Council,

however a few leaseholders have chosen to not convert and remain under the older lease agreement. Conversion to the new lease will continue to be encouraged.

Although lease rates under the new lease improve revenues for the ongoing maintenance and operations of the airport, discussions are expected to continue regarding a fair rate between the Town and the Twisp Airport Advisory Committee (TAAC) to support the sustainable long-term operations of the facility – especially in light of the fact that liability costs continue to rise for municipal airports across the state.

I would like to particularly thank Council Member Smith for his tireless effort in working with members of the TAAB to find a sustainable and viable long-term financial solution.

FY2021 is anticipated to be a uniquely challenging year of uncertainty. However, the Town is poised and ready to remain vigilant and focused on the ever-evolving conditions and impacts of the pandemic nationally, state-wide, and locally so as to be as nimble and adaptive as possible.

I am appreciative to have been entrusted as Mayor to serve this wonderful community during these tumultuous times. I know that together we will weather the storm. Thank you for the opportunity and privilege of presenting the FY2021 budgets - balanced for all funds!

Sincerely,

Soo Ing-Moody, Mayor

Council Member Smith wanted to thank the Mayor for all of her hard work she put into the budget for 2021, and he felt that was a great summary.

Council Member Smith moved to approve Ordinance #766 – 2021 Final Budget. The motion was seconded by Council Member Easton and passed unanimously.

**Consent Agenda:**

- Accounts Payable/Payroll
- Minutes 11/24/2020

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 8<sup>th</sup> of December 2020.


Payroll	EFT# 2335-2352, 2358	61954.81	11/30/2020
Accounts Payable	Warrant # 35872-35899	41169.34	12/08/2020
Accounts Payable	EFT # 2371-2373	1146.68	12/08/2020

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

**Adjournment:**

There being no further business to come before the Council, Mayor Ing – Moody adjourned the meeting at 7:27 p.m.

**APPROVED:**



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Mayor Soo Ing-Moody

**ATTEST:**



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Clerk/Treasurer Randy Kilmer

