

COUNCIL MEMBERS:

SHAWN	DON	SUZANNE	GREGORY	JIM	REBECCA	CHRIS
BARIGAR	HALL	HAWKINS	LANTING	MUNN, JR.	MILLS SOJKA	TALKINGTON

Vice Mayor

Mayor



AGENDA

Meeting of the Twin Falls City Council
Monday, July 8, 2013
 City Council Chambers
 305 3rd Avenue East -Twin Falls, Idaho

5:00 P.M.

PLEDGE OF ALLEGIANCE TO THE FLAG
 CONFIRMATION OF QUORUM
 INTRODUCTION OF STAFF
 CONSIDERATION OF THE AMENDMENTS TO THE AGENDA
 PROCLAMATIONS: **None**

AGENDA ITEMS	Purpose	By:
I. <u>CONSENT CALENDAR:</u> 1. July 5, 2013, Payroll total:\$113,280.09. 2. Consideration of a request to approve the June 24, 2013, City Council Minutes.	<u>Action</u>	<u>Staff Report</u> Leila A. Sanchez
II. <u>ITEMS FOR CONSIDERATION:</u> 1. Introduction of the City Manager's Recommended Budget for the upcoming 2013-2014 fiscal year. 2. Public input and/or items from the City Manager and City Council.	Presentation	Travis Rothweiler
III. <u>ADVISORY BOARD REPORTS/ANNOUNCEMENTS</u>		
IV. <u>PUBLIC HEARINGS: 6:00 p.m. - None</u>		
V. <u>ADJOURNMENT:</u> Executive Session 67-2345(1) (a) To consider hiring a public officer, employee, staff member or individual agent. This paragraph does not apply to filling a vacancy in an elective office. (b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student.		

**Any person(s) needing special accommodations to participate in the above noticed meeting should contact Leila Sanchez at (208) 735-7287 at least two working days before the meeting.*

Twin Falls City Council-Public Hearing Procedures for Zoning Requests

1. Prior to opening the first Public Hearing of the session, the Mayor shall review the public hearing procedures.
2. Individuals wishing to testify or speak before the City Council shall wait to be recognized by the Mayor, approach the microphone/podium, state their name and address, then proceed with their comments. Following their statements, they shall write their name and address on the record sheet(s) provided by the City Clerk. The City Clerk shall make an audio recording of the Public Hearing.
3. The Applicant, or the spokesperson for the Applicant, will make a presentation on the application/request (request). No changes to the request may be made by the applicant after the publication of the Notice of Public Hearing. The presentation should include the following:
 - A complete explanation and description of the request.
 - Why the request is being made.
 - Location of the Property.
 - Impacts on the surrounding properties and efforts to mitigate those impacts.

Applicant is limited to 15 minutes, unless a written request for additional time is received, at least 72 hours prior to the hearing, and granted by the Mayor.

4. A City Staff Report shall summarize the application and history of the request.
 - The City Council may ask questions of staff or the applicant pertaining to the request.
5. The general public will then be given the opportunity to provide their testimony regarding the request. The Mayor may limit public testimony to no less than two minutes per person.
 - Five or more individuals, having received personal public notice of the application under consideration, may select by written petition, a spokesperson. The written petition must be received at least 72 hours prior to the hearing and must be granted by the mayor. The spokesperson shall be limited to 15 minutes.
 - Written comments, including e-mail, shall be either read into the record or displayed to the public on the overhead projector.
 - Following the Public Testimony, the applicant is permitted five (5) minutes to respond to Public Testimony.
6. Following the Public Testimony and Applicant's response, the hearing shall continue. The City Council, as recognized by the Mayor, shall be allowed to question the Applicant, Staff or anyone who has testified. The Mayor may again establish time limits.
7. The Mayor shall close the Public Hearing. The City Council shall deliberate on the request. Deliberations and decisions shall be based upon the information and testimony provided during the Public Hearing. Once the Public Hearing is closed, additional testimony from the staff, applicant or public is not allowed. Legal or procedural questions may be directed to the City Attorney.

* Any person not conforming to the above rules may be prohibited from speaking. Persons refusing to comply with such prohibitions may be asked to leave the hearing and, thereafter removed from the room by order of the Mayor.

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SHAWN	DON	SUZANNE	GREGORY	JIM	REBECCA	CHRIS
BARIGAR	HALL	HAWKINS	LANTING	MUNN, JR.	MILLS SOJKA	TALKINGTON

Vice Mayor

Mayor



MINUTES

Meeting of the Twin Falls City Council

Monday, June 24, 2013

City Council Chambers

305 3rd Avenue East -Twin Falls, Idaho

5:00 P.M.

PLEDGE OF ALLEGIANCE TO THE FLAG
 CONFIRMATION OF QUORUM
 INTRODUCTION OF STAFF
 CONSIDERATION OF THE AMENDMENTS TO THE AGENDA:
 PROCLAMATIONS: **None**

AGENDA ITEMS	Purpose	By:
I. CONSENT CALENDAR: 1. Consideration of a request to approve the accounts payable May 18 – 24, 2013. 2. Consideration of a request from Tricia Anderson and the Junior Club of the Magic Valley to approve the 25 th Annual Bite of Magic Valley to be held at the Twin Falls City Park on July 24, 2013.	Action	Staff Report Sharon Bryan Dennis Pullin
II. ITEMS FOR CONSIDERATION: 1. Presentation to Lori Ward and Chris Reid with a Certificate of Appreciation for their extensive service to the City of Twin Falls by leading the Citizens Advisory Committee on Wastewater. 2. Consideration of a request by Lloyd & Darlene Stolkton to waive the non-conforming building expansion permit process to allow an expansion of an existing legal non-conforming residence located at 267 Grandview Drive South. 3. Consideration of an FAA Grant Offer for AIP 34, Apron & Runway Slurry Seal Project, in the amount of \$751,423.00 and authorize the Mayor to sign the grant offer. 4. Presentation of the current uses of Geographical Information System (GIS). 5. Presentation on the Department of Information Services. 6. Public input and/or items from the City Manager and City Council.	Presentation Action Action Presentation Presentation	Travis Rothweiler Mitch Humble Bill Carberry Robin Wilson Mick Turner
III. ADVISORY BOARD REPORTS/ANNOUNCEMENTS:		
IV. PUBLIC HEARINGS: 6:00 P.M. – None		
V. ADJOURNMENT: Consideration of a request to adjourn to Executive Session 67-2345(1) (e) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations.		

****Any person(s) needing special accommodations to participate in the above noticed meeting should contact Leila Sanchez at (208) 735-7287 at least two working days before the meeting.***

PRESENT: Shawn Barigar, Don Hall, Suzanne Hawkins, Jim Munn, Rebecca Mills Sojka, Chris Talkington
ABSENT: Greg Lanting
STAFF PRESENT: City Manager Travis Rothweiler, City Attorney Fritz Wonderlich, Chief Financial Officer Lorie Race, Zoning & Development Manager Renee' Carraway, Airport Manager Bill Carberry, Staff Sergeant Dennis Pullin, Information Services Manager Mick Turner, GIS Coordinator Robin Wilson, Deputy City Clerk/Recording Secretary Leila A. Sanchez

Acting Mayor Hall called the meeting to order at 5:00 p.m., and invited all present, who wished to, to recite the pledge of Allegiance to the Flag with him. Acting Mayor Hall introduced staff.

Boy Scout from Troop 59, Boy Scouts from Troop 161, and J.D. May, Assistant Scout Master for Troop 161, were present.

CONSIDERATION OF THE AMENDMENTS TO THE AGENDA: None

PROCLAMATIONS: None

I. CONSENT CALENDAR:

1. Consideration of a request to approve the accounts payable May 18 – 24, 2013, total: \$358,721.59
2. June 18, 2013, Prepay total: \$2,719.98
3. June 21, 2013, Payroll total: \$115,714.55
4. Consideration of a request from Tricia Anderson and the Junior Club of the Magic Valley to approve the 25th Annual Bite of the Magic Valley to be held at the Twin Falls City Park on July 24, 2013.

MOTION:

Councilperson Barigar made the motion to approve the Consent Calendar. The motion was seconded by Councilperson Munn and roll call vote showed all members present voted in favor of the motion. Approved 6 to 0.

II. ITEMS FOR CONSIDERATION:

1. Presentation to Lori Ward and Chris Reid with a Certificate of Appreciation for their extensive service to the City of Twin Falls by leading the Citizens Advisory Committee on Wastewater.

City Manager Rothweiler explained that Lori Ward and Chris Reid volunteered substantial time and energy for five months to lead a 37 person citizens committee. The committee was tasked with helping the City of Twin Falls identify a solution to wastewater shortfalls, and then to educate the community about the solution and required bond election. Their efforts were critical to the success of the \$38 million revenue bond, which will pay for upgrades to the existing facility and will allow the City to continue to grow and prosper.

Acting Mayor Hall presented the certificates.

Lori Ward and Chris Reid thanked the voters for passing the bond.

2. Consideration of a request by Lloyd & Darlene Stolkton to waive the non-conforming building expansion permit process to allow an expansion of an existing legal non-conforming residence located at 267 Grandview Drive South.

Zoning & Development Manager Carraway explained the request using overhead projections.

Staff recommends approval of the request as presented.

MOTION:

Councilperson Talkington made the motion to waive the non-conforming building expansion permit process to allow an expansion of an existing legal non-conforming residence located at 267 Grandview Drive South for Lloyd and Darlene Stolkton. The motion was seconded by Councilperson Hawkins and roll call vote showed all members present voted in favor of the motion. Approve 6 to 0.

3. Consideration of an FAA Grant Offer for AIP 34, Apron & Runway Slurry Seal Project, in the amount of \$751,423.00 and authorize the Mayor to sign the grant offer.

Airport Manager Carberry explained the request.

The FAA AIP 34 grant offer is the first of two anticipated grants. The AIP 34 grant covers the engineering services contract with Riedesel Engineering for the design and bidding for both pending projects and the construction services (CS) for the fog seal project. In addition, the grant will fund an updated pavement condition index report (PCI) and the construction contract with Straight Stripe Inc.

Staff recommends the Council approve acceptance of the FAA AIP 34 Grant Offer in the amount of \$751,423.00 and authorize the Mayor to sign the grant offer.

Council discussion followed:

Councilperson Munn asked for the County's funding participation and what city fund would be used for the local city/county match. Airport Manager Carberry stated that the County participates 50% (\$25,000) and the funds will come out of the Airport Fund and moved to the Airport Construction Fund.

MOTION:

Councilperson Barigar made the motion to accept the FAA Grant Offer for AIP 34, Apron & Runway Slurry Seal Project, in the amount of \$751,423.00 and authorize the Mayor to sign the grant offer. The motion was seconded by Councilperson Mills Sojka and roll call vote showed all members present voted in favor of the motion. Approve 6 to 0.

4. Presentation of the current uses of Geographical Information System (GIS).

GIS Coordinator Wilson explained how the GIS works by using a PowerPoint presentation and explained the following:

- Online maps currently available internally
- Example of search of parcel address with zoning
- Checking and verifying of all signs
- ArcPad Program and handheld GPS Unit
- Search of sewer lines and manholes
- Search of water lines, meters valves and hydrants
- Pressure Irrigation Parcels
- Steps for collecting and maintaining data
- Checking out the data to a handheld GIS device
- Editing in the field by work crews
- Conducting a quality control check
- Checking the new data back into the main database
- ArcReader
- Flex Maps

Coming up:

The maps will be available publicly through the city's website
Linking with Cityworks to track water and sewer service call and work orders
Importing building permit information
Associate code violations with parcels

Conclusion:

Future maps may show bike routes, walking trails, voting precincts, etc.
Senior staff will prioritize the need for the data
Determine the applicable groups to collect data
Confirm the end goal. What kind of data do we want to have at the end? Who else can utilize the information?
How will quality control be conducted? Who will ensure continual collection of data?

Council discussion followed.

Councilperson Mills Sojka explained the "Three Key Survey Mapping." It is new technology in conjunction with GIS to receive feedback from the public. JUB Engineers is creating the program and she hopes the City will find a way to utilize it.

Councilperson Talkington asked if the GIS currently is usable and if not, when is the target date that the system will be usable. He also asked if the program has layering capability.

GIS Coordinator Wilson stated that the GIS will be an ongoing project. Currently, staff is implementing a program where crews are inputting the data as they find it. The initial lines are pulled over from Auto Cad which does not have any annotation ability. The system is not capable of tracing out a water line. As for layering, the utility companies do not share information with the City to allow layering.

Jon Caton, Public Works Director, explained how the Public Works departments currently use the system. The GIS is never complete and data is continually being collected to improve accuracy.

City Manager Rothweiler explained that over the course of two to three years there have been significant advances in moving forward by having one person dedicated to GIS and having the right tools.

Council discussion followed.

Councilperson Barigar stated his concern of the potential of security risks by allowing the sewer and water system on line (points of entry).

GIS Coordinator Wilson stated that this would be taken into consideration.

5. Presentation on the Department of Information Services.

Information Service Manager Turner gave the presentation reviewing the following:

- Background information on the I/S staff of 8 employees
- Customers: E911 Center, City Council, every city department, all city employees and all their vendors, consultants and presenters...and more mobile users all the time.
- Devices managed are networking, electrical, telephone and radio.
- Other responsibilities include: E911 2 on-call technical assistance, operate IS Help Desk, Wiring, constructing/changing domain and exchange accounts, reporting / data mining, event related banner-hanging data security and back-up, and training is available in our training lab for any employee who calls to schedule it.

In the City's new strategic plan the following objectives are listed:

Objective IO1.1E: Research the use of technology to provide services to customers in the most effective manner. (Ongoing & 1)

Objective SC1.5A: Expand communications ability with the most recent technology advances and to provide coverage as the community grows. (Ongoing)

Objective SC1.5B: Become self-sufficient on taking care of the city's communications equipment. (3)

Objective SC2.1A: Develop and implement a plan to improve security in critical city facilities, parks and trails including the use of alarms, lighting and cameras. (1)

Objective SC2.1C Maintain a reliable communications/network to support instrumentation of the water and wastewater systems. (1)

Council discussion followed:

- Employee training
- Replacement of the point point wireless with fiber

Information Service Manager Turner extended an invitation to the Council to visit their department.

6. Public input and/or items from the City Manager and City Council. None.

III. ADVISORY BOARD REPORTS/ANNOUNCEMENTS:

IV. PUBLIC HEARINGS: 6:00 P.M. – None

V. ADJOURNMENT:

Consideration of a request to adjourn to Executive Session 67-2345(1) (e) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations.

MOTION:

Councilperson Talkington made the motion to adjourn to Executive Session 67-2345(1) (e). The motion was seconded by Councilperson Mills Sojka and roll call vote showed all members present voted in favor of the motion. Approved 6 to 0

The meeting adjourned at 6:17 P.M.

Leila A. Sanchez
Deputy City Clerk/Recording Secretary



Date: Monday, July 8, 2013
To: Honorable Mayor and City Council
From: Travis Rothweiler, City Manager

Request:

Introduction of the City Manager's Recommended Budget for the upcoming 2013-2014 fiscal year.

Time Estimate:

The City Manager will provide a presentation on the Recommended Budget for FY 2014. The staff presentation will take approximately 40 minutes, plus any additional time needed to address questions presented by Council members.

Background:

The FY 2014 budget is directly linked to the City of Twin Falls' 2030 Strategic Plan, which provides a series of pathways that will allow the City to realize its mission and the newly established 2030 vision. The budget recommends maintaining service levels designed to protect our citizens' health, safety, and welfare. It funds projects and initiatives designed to enhance our citizens' quality of life. It continues our reputation for being a strong, fiscally-sound municipal government. It is a financial plan that will move our City toward achieving the newly established strategic vision within constraints of available resources. The proposed budget is balanced and in accordance with the state law and Government Finance Officers' Association (GFOA) best practices.

Continuation of sound financial and operational philosophies has guided the development of this proposed budget. By definition, preparation of any budget is the allocation of scarce resources. There will always be more needs than available funds, so the challenge is to ensure that available resources are dedicated to the community and City Council's highest priorities.

The budget building process includes four key components:

- Determination of program and service plan based on the prioritization of the majority of citizens
- Determination of the value and cost of each service based on the level of service needed and/or desired by our citizens
- Determination of optimal service delivery methods based on value to ensure efficient, effective delivery of the services our citizens expect
- Determination of the scope and value of government in relation to the availability of revenue for the City

The goal is to best align services delivered with the needs identified as priorities by the community. The reality of any budget is that it consists of a collection of purchasing decisions. The City of Twin Falls was looking for an innovative and intuitive approach that would engage our citizens, stakeholders and employees in the budgeting process, which, in turn, could lead to the transformation of our government. After reviewing many different processes, we found "Budgeting for Outcomes."

Budgeting for Outcomes approach allowed us to make our budgeting process more robust, complete and inclusive. Instead of starting with the previous year's budget and justifying increases or cuts from that budget, we begin our discussion by reflecting on our performance in the prior fiscal year and the strategic planning goals for the upcoming fiscal year. We allocate funds needed to realize intended outcomes/results. This model also allowed us to link our recently completed 2030 Strategic Plan with the budget.

The budgeting for outcomes concepts allows us to: Better Engage Our Citizens; Transform Our Government; Engage Our Employees, and; Bring Common Sense to Our Budget and Budgeting Process.

The FY 2014 budget was developed from the conversations with Twin Falls citizens, City Council members, input from department leaders, review of the City's strategic plan, and the City's long-term plan. The FY 2014 budget sets forth the City's financial plan for the upcoming fiscal year, and allocates resources accordingly. The total citywide budget, which encompasses both operating and capital improvements funds is \$52,913,876 and represents an increase of \$3,659,398 million from the previous year's budget. Total authorized positions citywide equal 274 full-time equivalents (FTE) and represent an increase of 9 FTE from the previous year's budget. Budget concepts and funding strategies grew out of many internal conversations, public informational listening sessions and planning meetings. Five primary focus areas were developed. Those areas are:

Implement 2030 City of Twin Falls Strategic Planning goals and objectives to realize outcomes – Several of the Ongoing and Priority 1 goals and objectives that are expressed in the City of Twin Falls 2030 Strategic Plan receive funding in the FY 2014 Budget. The specific items are delineated in the City Manager's message and in the individual department's narratives.

Limit Tax Collections and Corresponding Revenues – The recommended budget is balanced with a state statutorily 3% increase and by incorporating the growth formula. It does not require the use of any of the City's foregone balance, which is \$1,478,577.

Continue with Phase II of the City's Compensation Strategy – This budget includes funding to adjust the City's salary table by 2.0%, makes adjustments to assist with wage compression in all departments including public safety, and provides an across-the-board adjustment of 3.5% for all employees who meet minimum job performance standards. A 2.0% adjustment to the salary table does not constitute a 2.0% compensation adjustment for all employees. Employees that are below market wage for their position will receive the larger increases, while those above the market wage will receive little to no adjustment associated with moving the salary table. Health insurance benefit levels remain unchanged.

Develop Funding Solutions for Infrastructure Systems and Enhance Water Redundancy – The recommended budget for FY 2014 provides increased funding for maintenance and planning activities in the City's Street, Water and Waste Water funds.

Streets Fund – We are recommending increased funding for road maintenance activities from \$995,000 to \$1,015,000, which represents an increase of \$20,000 or 2.0%.

Additionally, the street fund has allocations made to complete miscellaneous road projects such as ADA ramps, storm drains, valley gutters, culverts, etc. (\$692,840), Eastland South Reconstruction (\$500,000), Orchard Reconstruct (\$400,000), and L-HTAC Projects designed to illuminate the Pole Line and Eastland intersection and provide a signal at the Addison and Carriage intersection (\$614,000).

Water Fund – We are recommending increased funding levels for both line maintenance and system planning activities. In the Water Fund, we are recommending funding for the acquisition of real property to be used as a future well site (\$350,000), the replacement of pumps at the Blue Lakes well field (\$800,000), and upgrades to water mainlines (\$350,000).

Waste Water Fund – We are recommending funding for the Auger Falls effluent project (\$100,000), the sewer line collection system modeling (\$200,000), industrial sludge tank construction (\$400,000), and upgrades to sewer mainlines (\$350,000).

Continue to Pursue Innovative Strategies and Find More Effective Outcomes – In our continued pursuit of excellence, we will continue to review our processes beyond the budget conversations. This budget allocates funding to implement the City's new strategic planning objectives, update water and waste water

facility master plans, and update development and implement a performance measurement and management system as developed by the International City Management Association's Center for Performance Measurement.

2014 Fiscal Year Budget Summary & Overview

The total recommended net budget for FY 2014 is \$52,913,876, an increase of \$3,659,398, or 7.43% compared to the 2012 fiscal year adopted net budget of \$49,254,478.

Of the total recommended FY 2014 budget, \$31,395,095 is from the Government Funds and \$21,518,781 is in the non-tax supported funds. In 2013, the City appropriated \$29,536,459 in the Government Fund and \$19,718,019 in the non-tax supported funds.

A total of \$1,389,110 of "cash reserves" is being used to complete one-time capital intensive projects:

- \$154,000 in Library Fund reserves for a garage for the bookmobile, upgrade doors & windows, replace alarm/pager system; primary server room, and upgrade phone system.
- \$138,625 in Capital Improvement to fund a fire truck
- \$81,527 in Airport Construction to offset the cost of a terminal design
- \$800,000 in the Water for the Blue Lakes Well Pump.
- \$11,750 in Golf to help fund improvements at the Club House. These include upgrade of fire suppressions system, replace soffits, and seal concrete deck.
- \$84,232 in Dierkes/Shoshone Falls to cover interpretive signage, electricity to picnic tables, irrigation system improvements, rehab nook area, and stair design/engineering.
- \$3,282 in Park Development for Oregon Trail Youth Complex paver brick plaza with tables.

The FY 2014 Budget is fiscally conservative, stable and sustainable. We are able to maintain a competitive tax rate and user fees. This budget provides funding for an essential, slightly larger staff, and estimated operational cost and funds capital needs received the highest priority. When compared to FY 2013, the recommended budget for FY 2014 has some noteworthy changes. Those changes are the following:

- Total personnel cost will increase from \$20,153,852 in FY 13 to \$21,077,798, or by \$923,946 or 4.6%. The recommended FY 2014 budget implements the second of a three-phase plan designed to create a more competitive compensation model. Like last fiscal year, this budget proposes a movement of the salary table (2%), continuation of the compression-ratio adjustment process, and provides an average performance-based adjustment of 3.5% to competent or better employees.
- Overall operating costs are projected to increase from \$14,871,208 to \$15,597,155 or by \$725,947 or 4.9%. Most significant increases are anticipated electrical costs and professional service contracts to assist the City staff meet increased workload obligations without adding long-term obligations of full-time employees.
- Total funding for capital improvements and acquisitions are scheduled to increase from \$10,011,690 to \$10,192,746, or by \$181,056 or 1.8%. This does not include any work associated with the \$2.1 million Cheney Drive Project or \$38 million improvements to the City's waste water treatment plant and collection system that are scheduled to begin in this fiscal year.

Property Tax Overview & Analysis

For the first time in three years, the City's total taxable value, or tax base, increased. The increase in the taxable value can be attributed to several factors: decrease in the maximum homeowner's exemption and an increase associated with new growth and construction. For 2014, the total taxable value of the City was \$2,153,041,082, or an increase of \$985,868, compared to 2013's total taxable value of \$2,152,055,214. The total taxable value for the upcoming calendar year is lower than the taxable value of calendar year 2009, which was \$2,331,983,468.

For FY 2014, the City of Twin Falls relies on property taxes to raise 55% of the net revenue needed to support municipal operations in the Government-Type Funds. The FY 2014 is balanced with a maximum property tax rate of \$8.03 per \$1,000 of taxable value. The FY 2014 budget incorporates the revenues received from the statutorily

allowed three-percent (3%) and new construction value into the revenue stream. It does not require the use of any portion of the City's foregone balance, which is \$1,478,577. We anticipate total property tax collections for FY 2014 to be \$17,296,496, an increase of \$695,553 compared to FY 2013's collections of \$16,600,943. As illustrated, the largest single source of revenue in the Government-Type Funds is derived from property tax collections.

Water Fund – Revenues and Expenditures

The Water Fund supports the following water-related activities: water supply, water distribution, pressurized irrigation, and utility billing. To support each of these functions in FY 2014, we are recommending total system expenditures in the amount of \$9,783,338, an increase of \$682,115 or 7.49% when compared to the total allocation of \$9,101,223 in FY 2013. The FY 2014 recommended budget for the Water Fund calls for a 4% rate increase. The annual cost of the recommended increase to the average water user, defined as a user who consumes 18,000 gallons per month, is \$17.16, or \$1.43 per month.

Sewer Fund – Revenues and Expenditures

The sewer system is also a vital, critical component of a *Healthy Community*. The Sewer Fund is used to support all waste water services provided by the City of Twin Falls, namely waste water collections and waste water treatment. For FY 2014, the budget calls for the collection of \$9,336,793 in total waste water revenues, which is an increase of \$2,006,301 when compared to FY 2013 Sewer Fund budgeted revenues of \$7,330,492.

For FY 2014, staff is requesting a rate adjustment of 29% to the assessed rates. This increase equals an average increase of \$5.59 per month, or \$67.12 annually for an "average" residential user. An average user is one who typically produces 8,000 gallons per month of waste water. There are two primary factors driving the rate increase: passage of the revenue bond will cause an increased annual debt service by approximately \$2,121,000 and requires a rate adjustment of 27%, and; 2% to cover increased operational costs, namely increase in electrical and power.

Sanitation Fund – Revenues and Expenditures

The City's Sanitation Fund supports the City's sanitation and recycling program. The City of Twin Falls is the only City in the Magic Valley to offer its residents a curbside single stream recycling program. The program was started in 2011. Since the creation of the program, the City has diverted over 5,000 tons from entering into the regional landfill. Although we have seen a slight decrease in participation, the City's recycling program continues to meet and/or exceed initial expectations. It remains one of the highest rated services offered by the City.

Overall, we are recommending an increase of \$.46 per month, which equals a 2.79% increase to our customers. The rate adjustment is influenced by several factors: an increase of 1.3% requested by the City's contracted service provider (PSI, Inc.), increases in operational costs, and internal accounting adjustments associated with the reorganization of this department, namely the creation of the Code Enforcement division. PSI, Inc.'s rate adjustment request has been included in the City Manager's recommended budget and represents \$.13 per month of the total increase provided above.

Public Input and Transparency

The City of Twin Falls strives to communicate, operate, function, and conduct the business of the people in an open and transparent manner. The City of Twin Falls has taken additional steps designed to illustrate our commitment to effective community involvement in the annual budget process. In April and May 2013, the City Council shared its priorities and helped staff develop the key drivers for the FY 2014 budget. The Council provided an opportunity for our citizens and stakeholders to communicate their thoughts about specific programs, strategic initiatives and priorities for the upcoming fiscal year prior to the more customary, internal staff conversations.

A summary presentation of the proposed budget has been placed on the City's website. On August 5, 2013, the City Council will hold a public hearing and adopt the preliminary budget for FY 2014, with final adoption scheduled to occur on August 19, 2013.

Approval Process:

Not Applicable. Adoption of the Budget cannot occur until after the City has held a series of public hearings. The first public hearing is scheduled to occur on August 5, 2013 and is about the proposed rate and fees adjustments (those where the increases exceed 5%). The City Council must hold a public hearing prior to considering and adopting the Budget for the 2013-2014 fiscal year. That hearing is scheduled for August 19, 2013.

Budget Impact:

The budget describes in detail the City Manager's recommended budget for the 2013-2014 Fiscal Year for the City of Twin Falls.

Regulatory Impact:

Section 50-811 (8) of the Idaho Code states the City shall "prepare and submit to the council a tentative budget for the next fiscal year."

Section 50-1003 of the Idaho Code states "...the city council of each city shall, prior to the commencement of each fiscal year, pass an ordinance to be termed the annual appropriation ordinance, which in no event shall be greater than the amount of the proposed budget, in which the corporate authorities may appropriate such sum or sums of money as may be deemed necessary to defray all necessary expenses and liabilities of such corporation, not exceeding in the aggregate the amount of tax authorized to be levied during that year in addition to all other anticipated revenues."

Conclusion:

The City Council will be discussing the budget at each Council meeting until August 19th. At the August 19th meeting, the City Staff will ask the Council to consider and adopt an ordinance.

Attachments:

1. None.