

COUNCIL MEMBERS:

Suzanne Hawkins	Jim Munn	Shawn Barigar	Chris Talkington	Gregory Lanting	Don Hall	Rebecca Mills Sojka
Vice Mayor					Mayor	



AGENDA

Meeting of the Twin Falls City Council
Monday, July 6, 2015
City Council Chambers
305 3rd Avenue East -Twin Falls, Idaho

PLEDGE OF ALLEGIANCE TO THE FLAG CONFIRMATION OF QUORUM CONSIDERATION OF THE AMENDMENTS TO THE AGENDA PROCLAMATIONS: NONE		
GENERAL PUBLIC INPUT		
AGENDA ITEMS		
I. <u>CONSENT CALENDAR:</u> 1. Consideration of a request to approve the Accounts Payable for June 30-July 6, 2015. 2. Consideration of a request to approve the Curb-Gutter Improvement Deferral Agreement for the City of Twin Falls for the purpose of constructing a building at 136 Maxwell Avenue. 3. Consideration of a request to approve the 2015 Annual Muscular Dystrophy Fill the Boot campaign on Friday, August 7, 2015, at the intersection of Addison Avenue East and Locust.	<u>Purpose:</u> Action Action Action	<u>By:</u> Sharon Bryan Troy Vitek Ed Morris
II. <u>ITEMS FOR CONSIDERATION:</u> 1. Consideration of a request to confirm the appointments to the Comprehensive Plan Update Advisory Committee. 2. A presentation of the City Manager's Recommended Budget for FY 2016 followed by citizen input. 3. Public input and/or items from the City Manager and City Council.	<u>Purpose:</u> Action Presentation	<u>By:</u> Mayor Don Hall Rene'e V. Carraway-Johnson Travis Rothweiler
III. <u>ADVISORY BOARD REPORTS/ANNOUNCEMENTS:</u>		
IV. <u>PUBLIC HEARINGS:</u> 6:00 P.M. - None	<u>Purpose:</u>	<u>By:</u>
V. <u>ADJOURNMENT:</u>		

Any person(s) needing special accommodations to participate in the above noticed meeting could contact Leila Sanchez at (208) 735-7287 at least two working days before the meeting. Si desea esta información en español, llame Leila Sanchez (208)735-7287.

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.



Date: Monday, July 7, 2015
To: Honorable Mayor and City Council
From: Troy Vitek, Assistant City Engineer

Request:

Curb & Gutter Improvement Deferral Agreement 136 Maxwell for the City of Twin Falls

Time Estimate:

The presentation will take approximately 5 minutes.

Background:

The City of Twin Falls Parks and Recreation wishes to construct a building on their site located at 136 Maxwell Avenue adjacent to the Parks and Rec Building. Installation of a building requires Curb and Gutter installation in the M-2 Zone however the zone does not require installation of a sidewalk. Due to Drainage issues, construction of curb and gutter across the frontage of this lot would create additional drainage problems and therefore it is recommended to defer construction until adjacent parcels develop. While this request is between the City of Twin Falls as the developer and authorizing agency, we felt it was prudent to apply for a deferral as required of everyone.

Approval Process:

City Code 10-11-5 (B) states the City Engineer may defer construction if the improvement would create a traffic hazard or unusual drainage problem. Staff believes construction of this portion will create a drainage problem due to no other development of curb and gutter in the vicinity.

Budget Impact:

There is no significant budget impact associated with the Council's approval of this request. Once adjacent parcels develop the cost of Curb and Gutter installation will be required of the City and have to be addressed at that time.

Regulatory Impact:

Approval of this request will allow the owner to defer construction until the City Engineer requires construction.

Conclusion:

Staff recommends that the Council approve the request as presented.

Attachments:

1. Location maps
2. Site Photos
3. Curb & Gutter Deferral Agreement



Google earth

feet 10
meters 3





Google earth





CURB-GUTTER IMPROVEMENT DEFERRAL AGREEMENT

This Agreement made and entered into this _____ day of _____, 20____, by and between the CITY OF TWIN FALLS, State of Idaho, a municipal corporation, hereinafter called "City", and CITY OF TWIN FALLS, hereinafter called "Developer", for the purpose of constructing certain improvements on property sought to be developed at 136 Maxwell Drive.

WHEREAS, Developer certifies that he is the owner in fee simple or the authorized agent of the owner in fee simple of the real property described on the attached Exhibit "A"; and,

WHEREAS, there is attached hereto and incorporated herein as if the same were set out in full, a certified copy of the deed to the above described real property, marked Exhibit "A", showing ownership of said real property to be in Developer, or, as the case may be, there is attached hereto and incorporated herein as if the same were set out in full, a copy of the deed to the above described real property showing ownership in fee simple in someone other than Developer together with a notarized authorization, signed by the real property owner, authorizing Developer to act on behalf of said real property owner; and,

WHEREAS, Developer desires to develop said real property in the following manner: installation of a new building; and,

WHEREAS, the Developer is obligated to construct certain improvements, namely curb-gutter, pursuant to Title 10, Chapter 11 of the Twin Falls City Code; and,

WHEREAS, the City is authorized, pursuant to Twin Falls City Code Section 10-11-5(B)(2) to defer said improvements; and,

WHEREAS, the City Council on _____ agreed to defer construction of the aforementioned improvements,

WITNESSETH, that for and in consideration of the mutual promises, conditions and covenants contained herein, the parties agree as follows:

I.

City agrees: 1) to defer construction of the required curb and gutter until development of adjacent properties curb and gutter, or until such time as the obligation of curb-gutter construction on adjacent property or properties allows the City Engineer to require construction under the conditions specified in City Code Section 10-11-5(B)(2).

II.

Developer agrees to: 1) complete construction of curb-gutter on the real property described above when required by the City Council.

III.

Developer further agrees that in the event the Developer fails to complete the aforementioned construction, the City may complete the construction at the City's expense and may file a lien against the aforementioned property for expenses incurred by the City in said construction.

IV.

Developer agrees to pay the total actual cost of all materials, labor and equipment necessary to completely construct all of the improvements required herein and to construct or contract for the construction of all such improvements.

V.

Developer agrees to request in writing that the City Engineer and any other required department of the City make the following inspections and to not proceed with construction until the required inspection is complete and the work has been approved in writing by the City Engineer or his authorized inspector. All such inspections shall be scheduled fifteen (15) days prior to beginning work and the request for an inspection shall be made one working day before the required inspection. Developer agrees to apply all costs resulting from his failure to properly schedule and request a required inspection or from proceeding with work before receiving approval to proceed. Developer agrees to remove or correct any rejected, unapproved or defective work or materials all as required by the City Engineer.

Required inspections shall include: 1) approval of all materials before inspection; 2) approval of forms and gravel base before pouring any concrete curb-gutter; and 3) approval of finished curb-gutter.

VI.

The Developer agrees to: 1) allow the City full and complete access to the construction; 2) provide all materials necessary to conduct all tests; and 3) provide the equipment and perform or have performed any testing of manufactured materials required by the City Engineer.

VII.

Developer agrees to obtain any necessary permits from the Twin Falls Highway District or the State of Idaho Department of Highways prior to construction improvements on their respective rights-of-way if said permits are required by the aforementioned agencies. A certified copy of said permit or the original of said permit shall be submitted to the City prior to beginning construction thereon.

This Agreement shall be recorded and shall bind the parties hereto, their heirs, successors in interest, and lawful assigns.

In the event of a breach of this Agreement, or should legal action of any kind be taken to enforce the provisions hereof, the prevailing party shall be entitled to reasonable attorney fees and cost awarded by the Court.

CITY OF TWIN FALLS, IDAHO

BY _____
Mayor

DEVELOPER

Mayor, City of Twin Falls

STATE OF IDAHO

On this ___ day of _____,
20___, before me a notary public in
and for said State, personally
appeared _____

known to me to be the person who
name subscribed to the within
instrument, and acknowledged to me
that _____
executed the same.

Notary Public
Residing in _____
Expires _____

STATE OF IDAHO

On this ___ day of _____,
20___, before me a notary public in
and for said State, personally
appeared _____

known to me to be the person who
name subscribed to the within
instrument, and acknowledged to me
that _____
executed the same.

Notary Public
Residing in _____
Expires _____



Date: July 6, 2015
To: Honorable Mayor and City Council
From: Edward Morris, Fire Fighters Assoc.

Request: We are requesting permission to hold our Annual Muscular Dystrophy Fill the Boot on the street again this year.

Background: This is a nationwide fundraiser for MDA. We have requested and have obtained permission to do the Fill the Boot on the street from the Council since 2001, Since, that time we have earned over \$130,000 to help Idaho families deal with this disease. While our firefighters are participating in this fund raiser, the MDA will provide insurance coverage for the Fill the Boot event.

History: The history behind the MDA Fill the Boot originated in the 1940's. Fire Fighters across the United States and Canada raise millions of dollars each year to help kids and families that suffer from these muscle diseases. Here in Twin Falls, we are in our 14th year of MDA Fill the Boot on the street. I am proud to say that we have not had a single accident while soliciting donations. This is because we only accept donations when the traffic light is on RED and use plenty of signage to inform drivers of what is happening at the intersection before their arrival.

Conclusion: I would like to request that the City Council of Twin Falls, authorize the Twin Falls Fire Fighters, Local 1556 permission to hold the 2015 MDA Fill the Boot campaign from 10 A.M. to 6 P.M. on Friday August 7th, at the intersection of Addison Avenue East and Locust.

Respectfully:
Edward Morris
Local 1556, Twin Falls Fire Fighters Assoc.



Monday July 6, 2015
To: Mayor Hall and City Council
From: Don Hall, Mayor
Rene'e V. Carraway-Johnson, Zoning & Development Manager

Request:

Consideration of a request to confirm the appointments to the Comprehensive Plan Update Advisory Committee.

Time Estimate:

The presentation will take approximately 15 minutes. Following the presentation, additional time may be necessary for questions.

Background:

At the May 11, 2015 meeting, the City Council approved a contract with Logan Simpson Design, Inc. to begin the process for a Comprehensive Plan update for the City. Staff began discussions with Logan Simpson to initiate the first step which is establishing an Advisory Committee (AC). This committee should be made up of local residents to participate and help direct the comprehensive plan update process. The goal and direction of this committee is to work with Logan Simpson Design and city staff to complete an updated comprehensive plan that projects the communities' needs and goals for the next 20 years. The process is anticipated to take 10 to 12 months.

Logan Simpson recommended that the AC be a maximum of 15 members. On June 22, 2015 staff discussed with the council the topic of forming a Comprehensive Plan AC. The council's recommendation was the AC should be limited to 12 members. Staff reviewed list of prospective members and we were able to consolidate some of the targeted areas with one person. Staff discussed with the City Manager, Deputy City Manager Humble and Mayor Hall the list of prospective AC members. Every AC meeting will be conducted in accordance with the Idaho Open Meeting Laws and the City of Twin Falls Transparency Resolution. Additionally, city staff and the consultants will use PSAs, social media and other communication vehicles designed to notify and encourage citizen participation.

The recommendation being presented to the council today is a group made up of stakeholders representing a wide group of community interests. The following is the suggested list of advisory committee members:

1. Greg Lanting – City Council
2. Rebecca Mills-Sojka – City Council
3. Tato Munoz – P&Z/City
4. Ryan Higley – P&Z/Aol/Cnty
5. Kevin Dane – Selection Committee/Local businessman
6. Kevin Mahler – Selection Committee/Local business owner
7. Brad Wills – Selection Committee/Developer/URA member
8. Nancy Duncan – Council member, City of Kimberly
9. Brady Dickinson - Twin Falls School District
10. Dr. Cindy Bond – CSI/Past Chair of Chamber of Commercial/URA Past Chair
11. Laura Stewart – Chamber of Commerce/St. Luke's
12. Dan Olmstead – Idaho Power/ SIEDO

The first AC meeting is scheduled to meet on Thursday July 16, 2015. We anticipate 8-12 regularly scheduled public meetings over the course of the next year. Staff recommends that the Mayor appoint this group to serve on the Comp Plan Advisory Committee.

Approval Process:

Comprehensive Plan Advisory Committee shall be appointed by the mayor and confirmed by the council.

Budget Impact:

None

Regulatory Impact:

The Mayor is recommending the appointment of those listed above to serve on the Comprehensive Plan Advisory Committee, subject to City Council ratification and approval.

Conclusion:

Request that the Mayor appoint Greg Lanting, Rebecca Mills-Sojka, Tato Munoz, Ryan Higley, Kevin Dane, Kevin Mahler, Brad Wills, Nancy Duncan, Brady Dickinson, Dr. Cindy Bond, Laura Stewart and Dan Olmstead to serve on the Comprehensive Plan Advisory Committee with Council confirmation.

Attachment:

None



Date: Monday, July 6, 2015
To: Mayor and City Council
From: Travis Rothweiler, City Manager

Request

A presentation of the City Manager's Recommended Budget for FY 2016 followed by citizen input.

Time Estimate

The estimated amount of time this item will take is 45 minutes plus time to answer questions.

Background

The Recommended Budget addresses the need to protect the long-term future of the community, primarily in the areas of public safety, preservation of public infrastructure, and in delivering sustainable government that aligns with the demands of today, while ensuring the ability to rapidly respond to growth. This proposal is balanced, complete, sustainable, strategically driven, and represents our continued commitment to prudent fiscal management, effective service delivery, sustainability, and transparency. While this budget covers only FY 2016, it continues to define a path that will move Twin Falls into the future as a safe city with a solid infrastructure and an ongoing commitment to a unique quality of life.

The Recommended Budget provides funding for current and enhanced service levels. It is designed to meet the Twin Falls' City Council members' priorities within the constraints of available resources. It calls for the use of only 1.5% of the statutorily-allowed three-percent increase to property tax revenues collections and requests no increases to the city's assessed water, sewer and sanitation rates. The adopted budget has been formulated with a philosophy of:

- Providing solid, high-quality, core governmental services
- Efficiently allocating resources to meet citizen needs
- Emphasizing affordability and sustainability
- Capitalizing on technology to improve service delivery
- Valuing our employees

The Recommended 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 maintains service levels designed to protect our citizen's health, safety, and welfare. It funds projects and initiatives designed to enhance our citizen's quality of life. It continues our reputation for being a strong, fiscally-sound municipal government.

The budget is balanced and in accordance with the state law and Government Finance Officers' Association (GFOA) best practices. The combined expenditures and transfers total \$64,423,188, which is a \$3,967,224 increase compared to the current year budget of \$60,455,964. For FY 2016, Government Fund-Type expenditures, those funds that receive some of their funding from property tax revenues, increase by \$205,779 (0.60%), of which \$543,820 is from cash reserves to fund one-time capital initiatives. Enterprise Fund-Type expenditures increase by \$3,761,445, or by 14.34%, of which \$3,668,923 is from cash reserves.

Most cities, including the City of Twin Falls, have historically focused on the "net budget," which is the total budget, as presented above, less fund transfers. The total net budget for FY 2016 is \$60,765,948 or \$3,683,759, or 6.45% larger than the total net budget of \$57,082,189 for the current fiscal year. Both methods are acceptable. From this point forward, and just as we have done historically, we will be focusing on the net budget.

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. Equally, we recognize the value and importance of honoring and upholding our fiduciary duties and responsibilities. Because openness and transparency are part of our organizational culture and values, we have taken several steps designed to afford our citizens and stakeholders several opportunities to actively participate and contribute to the budgeting process.

The City of Twin Falls has taken additional steps designed to illustrate our commitment to effective community involvement in the annual budget process. 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 4, 2014, the City Council will adopt the preliminary budget for FY 2015, with a public hearing and final adoption scheduled to occur on August 18.

Connection to the City's 2030 Strategic Plan

The City views its planning and operations in a strategic manner. Our fiscal, operational and organizational strategies are governed and directed by the City's 2030 Strategic Plan. The Strategic Plan has a series of vision statements, that when viewed collectively, will allow us to create and maintain an accessible, healthy, learning, environmental, responsible, prosperous, and secure community with a strong internal organization designed to be able meet the needs of our citizens, businesses and visitors. The Strategic Plan is divided into eight, equally important focus areas: a *Healthy Community*, a *Learning Community*, a *Secure Community*, an *Accessible Community*, an *Environmental Community*, a *Prosperous Community*, a *Responsible Community*, and recognition of the importance of the *Internal Organization*. For each focus area, there is a description of the vision for that topic in the year 2030. To review the vision descriptions, please see the City of Twin Falls 2030 Strategic Plan.

Budget Overview

The role of local government is to protect the citizen's health and provide for their safety. To realize that end, local governments, like the City of Twin Falls, are responsible for providing accessible streets, dependable emergency responses, and safe and aesthetically pleasing parks and public facilities—all in a manner that is both effective and efficient. While the budget does not fund all capital initiatives and projects in the entire organization, it does meet the City Council's priorities and the citizen's service level expectations. It demonstrates restraint in the areas of taxation and rate adjustments. It appropriately incorporates the use of cash reserves to cover one-time, critical and needed capital projects in the Library Fund and the Water Fund.

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 2016 Budget. The specific allocations are outlined in subsequent sections of this message. To ensure that we are incrementally improving each year, we will continue to review and develop performance plans to advance established vision statements. Additionally, we will use the City's 2030 Strategic Plan to build collaborative partnerships with our public, private and other community partners. Sustainable Twin Falls, the Economic Development Ready Team, and Activate Twin Falls/Magic Valley are just three examples of the many opportunities that we have to collaborate with our partners to create the ideal community.
- **Limit Tax Collections and Rate Increase.** During the initial budget development conversations, the members of the City Council said that they wanted the budget to be sensitive towards tax and rate adjustments. This Recommended Budget does not need the 3.0% statutorily allowed revenue increase. The City Manager's recommended budget is balanced with 1.5% increase in property tax revenue and

incorporating the growth formula. As a result, the cities foregone balance will increase by \$264,935 (14.07%), from \$1,882,671 to \$2,147,606 and is one of the largest in the Magic Valley and the State of Idaho. The foregone balance represents the total amount of property tax revenue the city could have collected from its residents but has chosen not to do so and equates to a savings of 12.9% to its taxpayers.

The City Manager's FY 2016 Recommended Budget holds water and sewer rates at the current levels and calls for a 3.3% decrease to the sanitation rate that is assessed to its residential customers. The City does not supply sanitation services to properties considered non-residential in nature.

- Invest in our employees. Each year, the City of Twin Falls reviews the full compensation (salary and benefits) level of its employees to ensure it is competitive with the market. The Recommended Budget for FY 2016 provides competitive compensation and benefits adjustments as well as advanced training opportunities. It provides an across-the-board adjustment of 3.0% for all employees who meet minimum job performance standards. It also provides funding to adjust the City's salary table by 0.5%. Both of these requests are consistent with the City's compensation strategy and similar to the adjustments made in FY 2015. As we stated last year, moving the compensation table 0.5% does not constitute a 0.5% compensation adjustment for all employees. The movement of the market on the compression ratio table will allow the City to address wage compression issues for tenured employees. Employees that are below new 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.

Additionally, the Recommended Budget provides increased funding for health insurance benefits. Based on preliminary information received, we believe that we will have to make changes to the current benefit to ensure its long-term sustainability and affordability. At this time, Susan Harris, the City's Human Resource Director, is negotiating with the current provider and soliciting quotes from other qualified providers.

- Continue to Invest in Our Infrastructure Systems– The Recommended Budget for FY 2016 provides increased funding for maintenance and planning activities in the City's Street, Water and Waste Water funds.

Streets Fund– The Recommended Budget increases total capital funding in the Street Fund from \$3,125,000 to \$3,215,654, which represents an increase of \$90,654 or 2.9%. The FY 2016 total Street Fund allocation is derived from anticipated revenues totaling \$5,169,149, an increase of \$179,551 compared to FY 2015. The FY 2016 does not rely on the use of cash reserves to support infrastructure projects. Specifically, the Recommended Budget provides funding for: possible right-of-way acquisitions (\$30,000), seal coating (\$900,000), miscellaneous road projects such as ADA ramps, storm drains, valley gutters, culverts, etc. (\$760,654), Eastland South Reconstruction (\$840,000), Transportation Master Plan (\$250,000), Micropaver for data collection and planning (\$135,000) and equipment replacement/acquisition (\$300,000).

Water Fund– The Recommended Budget increases total capital funding in the Water Fund from \$1,382,500 to \$4,618,310, which represents an increase of \$3,235,810 or 234%. The FY 2016 allocation is derived from anticipated revenues totaling \$10,073,076, an increase of \$105,006 compared to FY 2015, and cash reserves equaling \$3,114,096 for engineering and reconstruction of the Wills Booster Station, which is estimated to cost \$3,374,000. In addition, the Recommended Budget provides funding for: mainline replacement (\$378,000) upgrades and improvements to the water mainlines (\$360,000), meter replacement (\$169,000), and the development, and upgrading of pressurized irrigation stations (\$305,000).

Waste Water Fund– The Recommended Budget maintains total capital funding in the Waste Water Fund of \$1,012,250. The City Manager's Recommended Budget requests funding for: maintenance and upgrades at the City's TSS Ponds and Auger Falls reuse project (\$70,000), the sewer line collection system modeling (\$200,000), and upgrades to sewer mainlines (\$375,000).

The allocation does not include the ongoing revenue bond funded expansion project to the City's waste water treatment plant (\$32 million) and collections lines (\$6 million).

- 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 Insights, formally known as the Center for Performance Measurement.

2016 Fiscal Year Budget Summary & Overview

The total net budget for FY 2016 is \$60,765,948, an increase of \$3,683,759, or 6.45% compared to the 2015 fiscal year adopted net budget of \$57,082,189. Of the total FY 2016 Recommended Budget, \$33,647,257 funds the Government Fund departments and \$27,118,691 is in the Enterprise Fund, or business-like funds. In 2015, the City appropriated \$33,506,273 in the Government Fund and \$23,575,916 in the Enterprise Funds.

A total of \$4,212,743 of "cash reserves" is being used to complete several critical, one-time capital intensive projects. The total amount of cash reserves allocated in the tax supported funds is \$543,820. Specifically:

- \$70,820 in the General Fund cash reserves for E911 equipment improvements
- \$18,000 in the Library Fund for capital projects
- \$455,000 in the CI Fund for a fire rescue vehicle (\$175,000) and a transfer (loan) to the Impact Fee Fund for trails - \$280,000

The total amount of cash reserves allocated in the Enterprise Funds is \$3,668,923. Specifically:

- \$400,000 in the Impact Fee Fund for trail project
- \$26,567 in the Airport Construction Fund (PFC account) for land acquisition
- \$3,114,096 in the Water Fund for the Wills' booster station
- \$4,034 in Common Area Maintenance Fund for proposed increased maintenance
- \$10,475 in the Shop Fund for capital projects
- \$49,854 in Park Development Fund for shelter/shade structures at the 1st Federal Park
- \$63,897 in the Seizures and Restitution Fund for specified operational and capital acquisitions

The use of cash reserves assists in the completion of critical capital projects and allows the FY 2015 Recommended Budget to remain stable and sustainable. The use of cash reserves in the Enterprise-Type Funds allows us to continue to offer comprehensive, quality local government services at competitive tax rates and "lower-than-market" user fees.

Restricted cash reserves are used to help the City "cash-flow" operations and make capital expenditures in between significant revenue collections, i.e. property tax collections (January and July) and intergovernmental shared revenues (quarterly). Unrestricted cash reserves in the General and Capital Funds can be used to fund one-time capital projects.

This Recommended Budget provides funding for additional full-time positions considered to be essential for maintaining levels of services provided to the public, increased operational cost and funding to address capital needs that are viewed to be critical to accomplishing stated strategic planning objectives. There are a few noteworthy recommended changes proposed in the City Manager's FY 2016 Recommended Budget. Those changes are the following:

- Total personnel cost will increase from \$22,543,609 to \$23,656,094, or by \$1,112,485 (4.93%). The FY 2016 Recommended Budget provides for a performance-based adjustment of 3.0% for all employees and moves the City's compensation table (0.5%). These improvements are designed to maintain the competitiveness of the City's compensation model. *Changes to personnel costs are described in great detail later in the City Manager's Budget Message.*

- Overall operating costs are projected to increase from \$15,925,810 to \$16,105,200 or by \$179,390 (1.13%). *Changes to operating costs are described in great detail later in the City Manager's Budget Message.*

Total funding for capital improvements and acquisitions are scheduled to increase from \$12,320,801 to \$14,713,636, or by \$2,392,835 or 19.42%. This does not include any work associated with the \$38 million City's waste water treatment plant and collection system that will continue into FY 2016, or funding for the new City Hall and Public Safety Complex, estimated to cost \$8 million. *Changes to capital expenditures are described in great detail later in the City Manager's Budget Message.*

Property Tax Overview & Analysis

In FY 2016, we have a preliminary total taxable value for the City of \$2,244,368,486, or a decrease of \$20,574,800, compared to 2015's total taxable value of \$2,264,943,286. The new construction roll was \$36,833,067. Without the new construction roll, the total taxable value of all existing structures decreased a total of \$57,407,867, or by - 2.53%.

The FY 2016 Recommended Budget relies on property taxes to raise 53.2% of the net revenue needed to support municipal operations in the Government-Type Funds. The FY 2016 budget is balanced with a maximum property tax rate of \$7.85 per \$1,000 of taxable value. It incorporates only 1.5%, or \$264,935, of the statutorily allowed 3% property tax revenue increase and revenue associated with the new construction value, or \$282,314. This spending plan adds to the City's foregone balance, which is anticipated to grow to \$2,147,606. We anticipate total property tax collections for FY 2016 to be \$17,907,342, an increase of \$547,249 compared to FY 2015's collections of \$17,360,094.

How does our Tax Rate compare to the other, large full-service Idaho cities?

We are often asked the question, "how does our tax rate compare?" The table and graph provided below are intended to provide a "ballpark" answer to that question. Although only intended to be a rough illustration, the table and graph below show the amount of property tax paid on a median-valued, owner occupied home owner in each of the larger, full-service cities in Idaho.

	Total Taxes	2013 Median Property Value	FY 2014
Caldwell	\$537.79	\$99,500	0.0108099
Nampa	\$539.23	\$113,600	0.0094935
<i>Twin Falls</i>	<i>\$551.86</i>	<i>\$144,000</i>	<i>0.0076647</i>
Coeur d'Alene	\$555.30	\$171,800	0.0064645
Idaho Falls	\$659.46	\$142,400	0.0092621
Pocatello	\$711.37	\$131,900	0.0107866
Lewiston	\$796.50	\$165,700	0.0096138

Note: Idaho's median value of an owner occupied home for this same period of time was \$162,100 and the maximum homeowner's exemption was \$81,000.

For the purposes of this analysis, the cities of Boise and Meridian were intentionally excluded because they are not directly responsible for the transportation systems in their communities; that responsibility lies primarily with the Ada County Highway District (ACHD). ACHD is an independent taxing authority specifically created for the purpose of maintaining the transportation system in these communities. In FY 2016, the Street Fund for the City of Twin Falls will be \$5,169,149, or approximately 15.4% of the total Government Fund-Type budget. Information used was from the Associated Taxpayers of Idaho's 2014 Levy Book (tax rate) and the US Census Bureau – 2013 Census data (median home value).

Water Fund – Revenues and Expenditures

The importance of having a clean, reliable and safe water system is articulated in the City's 2030 Strategic Plan. The *Healthy Community* Vision states: "Water, sewer and other public facilities function at a high level ensuring the public health benefits of that infrastructure are well-maintained and kept in compliance with acceptable standards. Community design standards facilitate individuals' commitment to maintaining a healthy life-style..." The projects contained in the FY 2016 will allow the City to achieve the *Health Community vision statement*.

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 2016, the City Manager's Recommended Budget calls for total system expenditures in the amount of \$13,187,172, an increase of \$3,368,485, or 34.31%, when compared to the total allocation of \$9,818,687 in FY 2015.

The Recommended Budget recommends that the City maintain the current water rate. Simply, there does not need to be a rate increase to cover the programmed cost, improvements and projects recommend in FY 2016. Holding the line assures the City of Twin Falls water rates will remain among the lowest in the region.

The increase in capital funding is a result of the recommendation to use \$3,114,096 of Water Fund cash reserves to support the reconstruction for the Wills Booster Station. The estimated total cost of the project is \$5.0 million and the balance will be funded with private participation. Without the use of cash reserves to offset one-time capital costs, advancing this capital project would not be financially possible.

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 2016, the City Manager's Recommended Budgets calls for expenditure totaling \$9,508,471 in this Fund. This represents an increase of \$412,139 when compared to FY 2015 Sewer Fund expenditures of \$9,096,332.

Personnel Costs in the Sewer Fund are projected to increase by \$27,309 (4%) in FY 2016 to \$705,530 from \$678,221. Operational costs in the Sewer Fund are projected to increase by \$107,535 (3.13%) in FY 2016 to \$3,541,392 from \$3,433,857. The allocation made to cover costs associated with the contract the City has with CH2MHill to operate its waste water treatment plan is relatively unchanged at \$3,280,000.

Sanitation Fund – Revenues and Expenditures

The importance of protecting the place we live is well described in the Environmental Community vision statement of the City of Twin Falls' 2030 Strategic Plan. Sustainability and stewardship are key drivers of this vision.

Overall, the City Manager's Recommended Budget reduces the cost of sanitation. The monthly bill paid by the City's residential customers will decrease from the current rate of \$17.18 per month to \$16.62 per month. This represents a \$0.56 per month per customer discount, or a fee reduction of -3.3%. The rate adjustment is influenced by the requested price adjustment of 2.0% by the City's contracted service provider (PSI, Inc.) and covers increases in their operational costs.

How much more will City Services Cost?

In addition to understanding the levels of services and the amount of improvements programmed in the budget, it is also important that we recognize the impact this proposal has on our citizens and taxpaying shareholders.

The table below illustrates the impact the City Manager's Recommended Budget will have on the taxpayers residing or doing business in Twin Falls. For the average customer, the Recommended Budget has a total impact of \$0.44 per month or \$5.26 per year.

	FY 2015 Adopted Budget	FY 2016 Recommended Budget	Difference
Property Tax	Tax Rate of: \$7.66/\$1,000 tax value	Tax Rate of: \$7.85/\$1,000 tax value (Maximum)	
Median Valued Home (Owner Occupied). <i>\$144,300 in FY 2015</i> <i>\$144,000 in FY 2016</i>	\$553.01 <i>annual</i>	\$564.98 <i>annual</i>	\$11.97 <i>annual</i>
Utility Bills			
Average Residential Customer Consumption of:			
<i>Water - 18,000 gallons</i>	\$38.01	\$38.01	\$0.00
<i>Sewer - 8,000 gallons</i>	\$24.74	\$24.74	\$0.00
<i>Sanitation & Recycling</i>	\$17.18	\$16.62	(\$0.56)
Monthly Total of Property tax and Utility Bills	\$126.01 <i>monthly</i>	\$126.45 <i>monthly</i>	\$0.44 <i>monthly</i>

Specifically, the Recommended Budget:

- The annual property tax on a median-value home in Twin Falls may increase to a maximum of \$11.98 annually or by about \$1.00 per month. This would equate to a 2.1% increase. However, it is important to note the total taxable value is subject to refinement by the Twin Falls County Assessor's Office and will not be available until after the FY 2016 Budget.
- The total monthly utility bill for the average resident in Twin Falls is expected to decrease. The Recommended Budget maintains the current water and sewer rates unchanged. The global sanitation rate will decrease for the City's residential customers by \$0.56 per month or \$6.72 annually.

Approval

There is no approval process.

Budget Impact:

There are no budgetary or financial impacts from the conversation.

Regulatory Impact:

There is no regulatory impact.

Attachments

1. Recommended Budget for FY 2015 can be found online.