

**COUNCIL MEMBERS:**

LANCE	TRIP	DON	DAVID E.	WILLIAM A.	GREG	REBECCA
CLOW	CRAIG	HALL	JOHNSON	KEZELE	LANTING	MILLS SOJKA
<i>Mayor</i>				<i>Vice Mayor</i>		



**Minutes**

Meeting of the Twin Falls City Council  
 May 2, 2011  
 City Council Chambers  
 305 3<sup>rd</sup> Avenue East Twin Falls, Idaho

**CALL MEETING TO ORDER:** 5:00 P.M.

**PLEDGE OF ALLEGIANCE TO THE FLAG**  
**CONFIRMATION OF QUORUM**  
**INTRODUCTION OF STAFF**  
**CONSIDERATION OF THE AMENDMENTS TO THE AGENDA:**

**PROCLAMATIONS:** Peace Officer's Memorial Day  
 National Foster Care Month May, 2011

AGENDA ITEMS	Purpose	By:
<b>I. <u>CONSENT CALENDAR:</u></b> 1. Consideration of accounts payable for April 26-May 2, 2011. 2. Findings of Fact, Conclusions of Law, and Decision: Final Plat, Application, Locust Grove PUD Subdivision c/o Locust Grove Development, LLC, Applicant(s) 3. Consideration of a request by Snake Harley-Davidson to approve its fifth season of outdoor customer appreciation concerts at their facility beginning at 6:00 P.M. and ending at 9:00 P.M. on various evenings throughout the spring and summer. 4. Consideration of the April 25, 2011, Minutes.	<u>Action</u>	Staff Report Sharon Bryan Mitch Humble  Dan McAtee  Sharon Bryan
<b>II. <u>ITEMS FOR CONSIDERATION:</u></b> 1. Consideration of a request for Chief Brian Pike to formally "pin" Captain Anthony Barnhart. 2. Presentation of a financial update for fiscal year 2011-2011. The information being presented is for October 1, 2010 through March 31, 2011, or six (6) months into the current fiscal year. 3. Presentation of the five year forecasting model. 4. Public input and/or items from the City Manager and City Council.	Presentation  Presentation  Presentation	<i>Chief Brian Pike</i>  <i>Lorie Race</i>  <i>Travis Rothweiler</i> <i>Lorie Race</i> <i>Mitch Humble</i>
<b>III. <u>ADVISORY BOARD REPORTS/ANNOUNCEMENTS:</u></b>		
<b>IV. <u>PUBLIC HEARINGS:</u></b> <span style="color: red;">6:00 P.M. None.</span>		
<b>V. <u>ADJOURNMENT: EXECUTIVE SESSION</u></b> 67-2345. (1) (c) To conduct deliberations concerning labor negotiations or to acquire an interest in real property which is not owned by a public agency.		

*\*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:** Lance Clow, Trip Craig, Don Hall, David E. Johnson, William E. Kezele, Greg Lanting, Rebecca Mills Sojka

**Absent:** None.

**Staff Present:** City Manager Travis Rothweiler, Community Development Director Mitch Humble, Finance Director Lorie Race, Police Chief Brian Pike, Deputy City Clerk/Recording Secretary Leila A. Sanchez

Mayor Hall called the meeting to order at 5:00 P.M. He invited all present, who wished to, to recite the Pledge of Allegiance to the Flag with him. A quorum was present. Mayor Hall introduced staff.

**CONSIDERATION OF THE AMENDMENTS TO THE AGENDA:** None.

**PROCLAMATIONS:** Peace Officer's Memorial Day

Mayor Hall presented the Proclamation to Tim Schlund.

Peace Officer's Memorial Day will be held at the City Park on May 21, 2011, at 11:00 A.M.

**National Foster Care Month May, 2011**

Mayor Hall presented the Proclamation to Kenn Burnham, Resource Family Training Consultant, CSI.

Kenn Burnham stated that a Ribbon Tie Event will be held on May 10, 2011, at 6:00 P.M., at the County Courthouse Rose Garden.

## AGENDA ITEMS

### **I. CONSENT CALENDAR:**

1. Consideration of accounts payable for April 26-May 2, 2011, total: \$178,952.24;  
Fire Payroll, total: \$49,205.98  
April Payroll, total: \$19,260.99
2. Findings of Fact, Conclusions of Law, and Decision:  
Final Plat, Application, Locust Grove PUD Subdivision c/o Locust Grove Development, LLC, Applicant(s)
3. Consideration of a request by Snake Harley-Davidson to approve its fifth season of outdoor customer appreciation concerts at their facility beginning at 6:00 P.M. and ending at 9:00 P.M. on various evenings throughout the spring and summer.
4. Consideration of the April 25, 2011, Minutes.

### **MOTION:**

Councilperson Lanting made the motion to approve the Consent Calendar as presented. The motion was seconded by Councilperson Clow and roll call vote showed all members present voted in favor of the motion. Approved 7 to 0.

### **II. ITEMS FOR CONSIDERATION:**

1. Consideration of a request for Chief Brian Pike to formally "pin" Captain Anthony Barnhart.

Chief Pike made the presentation.

Mayor Hall, Chief Pike and Councilperson Johnson formally pinned Anthony Barnhart in the position of Captain.

The City Council praised Captain Barnhart for his service to the community.

Katie Breckenridge, Picabo, Idaho, spoke on the Canyon Rim Stabilization Project. The "Canyon Rim Stabilization Project" handout she gave to the Council was entered into the record. She requested to be notified when discussion was made on the project. City Engineer Fields stated that she will notify both Katie Breckenridge and Rob Struthers of any further discussion on the project.

2. Presentation of a financial update for fiscal year 2011-2011. The information being presented is for October 1, 2010 through March 31, 2011, or six (6) months into the current fiscal year.

Finance Director Race gave the presentation. The Finance staff has developed a report to help share financial information. The report is used to evaluate and compare current revenue receipts and expenditures to budgeted amounts. Also included is three years of historical percentages to use in the review and evaluation process. The tool is used to review all tax supported funds.

Concerns in regards to revenue are as follows:

- Franchise fees – Intermountain Gas Co. is short \$72,000 from budget and Idaho Power is projected to be off about \$49,000.
- Building permits are projected to be off \$150,000 from budget, with the additional inspections being off \$115,000.

Vice Mayor Lanting asked why franchise fees are down.

Finance Director Race stated that \$421,950 is budgeted to be received from Idaho Power. She believes that usage is down.

City Manager Rothweiler stated that he believes the City will capture gross receipts of franchise fee collection. The City receives a portion of the gross in the geographic area.

Finance Director Race continued to discuss the following:

- Court revenues are trending downward and are projected to be \$40,000 short of budget.
- Street sweeping revenue is much higher than it has historically been.
- Recreation fees. Numbers are down in adult sports.
- Airport miscellaneous revenues. Changes have been made in billing and collecting hangar rental revenue.
- Investment interest. Two months of revenue has been posted and we are expecting a shortfall in the category. Currently working on investment strategies with Wells Fargo and working on a ladder to pick up yields.
- Transfers. An unbudgeted transfer into the Library Fund for capital projects.

Council discussion followed on the recreation fees and airport landing fees.

Finance Director Race stated the following concerns on expenditures:

- Insurance fund. No problems at this time.
- Capital expenditures. The Street Fund is high at this time. The Capital Improvement Fund is on track with the past two fiscal years.

The report is allowing the City to compare what is being received and spent compared to what is budgeted and explains any differences.

Councilperson Johnson stated that in reviewing the report he would say that the City has received 56.1% of budget, and normally the City is at 55% and marginally running ahead on revenues. Spent is 43.5%, and we can conclude that expenditures are down where they typically would be and revenues are up from where they would typically be this time of year.

Finance Director Race stated that the average on the expenditure side is about 45.7% and currently we are 43.5%, but the capital improvement fund was inflated so when this is removed, it brings it more in line. Also, on the revenue side it appears that it is up a bit, but this was caused by transfers.

City Manager Rothweiler stated that he would appreciate any comments the Council may have and how the report can be improved. Staff hopes to report to Council on a quarterly basis and have a conversation where the City stands financially for the fiscal year.

Recess: 5:49 P.M.

Reconvened at 6:06 P.M.

3. Presentation of the five year forecasting model.

City Manager Rothweiler stated that the purpose of the meeting is to share the efforts of the Long Term Planning Committee. A group of employees worked hard to develop this year's financial forecasting model in less than ideal circumstances.

This is our long term plan or our financial forecast. Last year we integrated the long term plan in the process in the first couple of weeks in June. The idea is to have a high level of conversation about the direction of the organization and where we see this upcoming budget going. In conclusion, staff will present a balanced budget to the Council the first part of July. That way staff can have good conversation about the budget. The purpose of tonight's meeting is not how to fix it but to explain that what you are going to see are numbers that are different from what you have seen in the past. This is a planning tool and not a budgeting document.

Many of us have started to become cautiously optimistic where the City will be financially over the course of the next 5 years. Based upon the past 6 months staff does believe it will generate more revenue than expenditures. The City is currently sitting, in terms of total cash and investments, on \$42,000,000 and \$16,000,000 of unrestricted cash balances. Finance Director Race will discuss revenues over the course of the next 5 years. Community Development Director Humble will follow with a series of expenditures that the City should consider making. The revenues and the expenditures were intensely scrutinized by the group. The revenues that you see are from planning documents that have been adopted by the City of Twin Falls. The planning documents are included in what is to be presented.

Finance Director Race using a PowerPoint presentation showed:

"The City of Twin Falls 5 Year Planning Tool" Fiscal Years 2011-2012 through 2015 – 2016.

"Assessed Market Values"

"New Construction Values"

"Building Permit Revenues"

"Effect on Our Citizens"

"Major Changes in Expected Revenues – FY 2011 – 2012.

"Property Tax Options for 2011 – 2012"

"Property Tax Options"

"Revenue Recap"

Council discussion followed on:

-Clarification that the road and bridge tax is prorated back from the fuel tax.

- Interfund transfers.

-Projections for property tax values. Finance Director Race stated that the foreclosed properties still remain on the tax rolls.

City Manager Rothweiler stated that the banks do pay for the taxes because if banks fail to pay the taxes after the owner has left over a period of time the properties can be seized by the local government in auction. Banks will go forward and pay the taxes to protect the asset.

Community Development Director Humble stated that the long term planning committee discussed expenditures and revenues. In discussing expenditures the committee tried to keep an overall theme in the forefront which is what do we do to go forward to preserve or provide a similar level of service in what was historically provided. The goal is how to keep the levels of service the same.

\*Other levels of service are defined for us in our planning documents so in the comprehensive plan it shows all that needs to be in a neighborhood park. That will define the service of neighborhood park. It will list the amenities needed in a neighborhood park. Because of levels of funding the City has been unable to maintain that level of service. That may be a desired level of service but in reality we are not hitting the mark. Funding has declined the level of service.

\*In some other departments it is easy to measure the level of service, such as the Fire Department is measured by response time and historical levels of service.

\*Parks have been limited at some level.

On overhead projections he showed "Projected Revenues and Expenditures for FY 2012 through FY 2016. "

\*Streets, if maintained properly, should give us forty or more years before being torn out and rebuilt. A program was put in place that dedicated \$420,000 a year for street maintenance and has stayed pretty much the same for some time. A few years back it was increased to \$550,000 a year, but in the meantime we have continued to add more streets and costs have gone up. If street life is not maintained, at some point the streets start to wear out a lot faster than if they are maintained. A growing inventory is aging quickly and maintenance hasn't been able to keep up due to the level of street maintenance funding. The funding hasn't been increased for the eight year rotation program. In the long term plan the funding has increased \$1.3 million dollars from \$550,000 for street maintenance.

\*Increase of 2% personnel wages and salaries. Health Insurance is projected to increase 8.5%, as well as an operations increase of 3%. Capital expenses and transfers have been discussed by Finance Director Race.

The expenditures are listed as personnel, wages, salaries and operations and maintenance. The capital has been broken down to three levels: Level 1 – Capital infrastructure that is critical and required to maintain a level of service. Level 2 and 3 become less and less critical but are still needs.

\*The expenditure transfers from the tax supported funds out to the water and sewer funds.

Councilperson Johnson asked what percentage of the streets exceeds the eight year rotation limit. Community Development Director Humble stated that on the maintenance cycle the City is sitting on 14 to 15 year maintenance cycle.

City Manager Rothweiler stated for clarification that this is just for maintenance and does not include capacity or expansion of roadways.

Councilperson Clow stated that a slurry seal was used on the streets and the City is now using chip seal on the main roads. If the slurry seal system is being used, does that mean we are on a 14 to 15 year cycle?

City Engineer Fields stated that the slurry seal did improve it but currently does not have the numbers. As a fact, the City is not on an 8 year cycle as of yet.

Community Development Director Humble continued to discuss expenditure assumptions.

\*The street maintenance is a level 1.

\*Personnel 2% a year. In 2010 the City completed a salary survey of similar employers in the State of Idaho and found that the City on an average is underpaid by 7.5%. Since then, all but about two of the cities surveyed have given raises. The number today is higher than 7.5%, as it is now 9.5% to 10%.

Councilperson Johnson asked if the Council has seen the survey being referred to. Community Development Director Humble stated that at least three of the seven Council members, those on the compensation subcommittee, have seen the survey. The survey can be given to all the Council.

The current strategic plan goal is to attract and retain quality employees. A salary survey was done in an attempt to get to that particular goal of the strategic plan. Some of the departments don't start new employees at the start of the grade. Currently there are problems with the salary table. The plan shows a 2% increase per year would begin to address this particular identified problem. The goal is to work with the Council and the Sub-Committee, particularly the full Council. The plan recognizes an issue that needs to be addressed. 1% based on current funding levels would cost the City \$130,000.

Councilperson Johnson asked if the survey included benefits and was it looked at on a departmental basis, such as police, fire, accounting, city streets, etc.

Community Development Director Humble stated that looking back at the structure of the survey it was a random assortment of employees across the board that were selected by position and compared to other employers' similarly classified positions. It included a cross section of every department. Not every position was in the survey but a good cross section was in the survey. It did cover all compensation.

Councilperson Craig stated that the benefits part of the package was reviewed and it showed that the City's package is no better or worse than companies that sent in the information to the City. The benefits surveys were brought in from local people, including the School District, the hospital, Twin Falls County, and Lamb Weston. Nothing has been sent back to the BDPA.

Community Development Director Humble stated that the bottom line is projected revenues and projected expenses. The projected revenues are historically what have been intended and expenditures are to maintain a level of service. Staff is asking for Council to help bridge the gap in deficits.

City Manager Rothweiler stated that levels of service is defined by our comprehensive plan, but that does not mean that the City has achieved that level of service. The City has several parks that go forward and over a period of time we will make certain improvements on those parklands, such as shelters and restrooms. It may be a disconnect between what our planning documents are saying, maybe in our best interest, or what our community desires, or what has been established through the process that is used and what in reality can be done. One, it is something that we typically did in-house. The process actually to open it up came from a multiple front conversation. The Council desired to be more active in the budgeting process and to also receive involvement from the Citizen Finance Committee. Staff has to share this part of the process, which is the working model of the process.

Councilperson Kezele stated that this represents the strategic plan deficit. He asked if it takes into account our capital issues where we are behind the game in reference to roads, building structures, and other things that may be deteriorating.

City Manager Rothweiler stated that in 2010 we had \$550,000 placed in street maintenance program. That number has been increased to \$1.3 million dollars. Over a period of time that will help us generate a better cycle and cover roads. The \$1.3 million dollars may not get us there but it is a start. The City may have to phase some of the approaches over time. In terms of the large depreciation and capital assets it doesn't cover that. What this illustrates is levels of service that are desired.

Councilperson Johnson stated that he would like to have a breakdown of major categories identified by staff.

Community Development Director Humble stated that the long term planning committee considered new bodies in the next five years as well. The committee does not foresee a lot of new bodies in the cost or a lot of growth. The big expenditures in the personnel line may include 2% for salary and wages, 8.5% in the health insurance, and one position funding for Internet Crimes, which is being funded by a grant. The grant goes away about half way through the five year plan. This plan anticipates us to fund that position at that point.

City Manager Rothweiler stated what is presented tonight are the beginnings of conversations in long term planning. This is not a balanced budget. This is to incorporate the Council's thoughts into our process.

Councilperson Johnson stated his views on the City taxing policy. At times in the past he has felt the City has been a little bit conservative when the City should have been stepping up to the plate. He stated that the City may be a little conservative as to what the revenues will be based on the fact the City is collecting ahead of schedule. The City should be working on how to bring more revenues into the community for infrastructure that will not be a burden on the backs on the property tax payer.

Councilperson Kezele stated that the City needs to find some cost efficiencies to maintain the level of service. The City is in a different economy when revenues are not going up. City employees need to be aware that revenues are not going up. The City has the same level of staff even though a lot of needs have decreased due to a lack of construction and other things. He is expecting some reductions in staff to offset some of the costs. The City shouldn't increase percentages within the budget. If the budget has gone down by \$2 million those departments have to consolidate down to absorb that \$2 million. The City cannot allow one department or another to expand out and become a larger part of the overall percentage of our total revenue.

Recess: 7:08 P.M.  
Reconvened at 7:13 P.M.

Community Development Humble reviewed on overhead projection "Balancing Ideas." He discussed things that can be done on the revenue side:

Building Permit Revenue – Do not charge a plan review fee for residential.

Council – A different decision regarding tax policy.

Fire Dept – Provide an 11<sup>th</sup> man position that costs \$65,000 a year. Opportunity to capture some of the revenue from the Fire District.

Parks and Recreation –Facility fee. We don't charge the fee of our private soccer leagues. Perhaps start charging reservation fees that use the facilities.

Private baseball – Which the City does subsidize for the youth program. We can generate other revenue in Parks and Recreation for outfield signage, as well as advertising on mailers that the Parks and Recreation Department sends out.

Discussion continued on expenditure savings:

Personnel savings. The City has vacant positions and the question is, do we hold back on the positions?

Vice Mayor Lanting asked if the City has considered putting advertisements on city trucks or police cars.

Community Development Director Humble stated that Stacy McClintock has found a grant where there is a company that provides the "skins" for vehicles and would pay the City to have a new Parks and Recreation truck.

Discussion followed on:

Reduce vacant positions.

Reduce current staff – Two layoffs can save the City \$120,000.

Reduce time. Reduce to three-fourths time over 4 bodies.

Councilperson Lanting stated that in laying employees off they may not be working for us but the City will be paying them unemployment insurance.

City Manager Rothweiler stated for clarification that the City is responsible for paying cost reimbursement for the first 26 weeks. Extensions are paid by the federal government.

Community Development Director Humble continued his discussion.  
Contract Economic Development  
Human Resources – Early retirements.  
Human Resources – Self fund a portion of employee health insurance program.  
Parks and Recreation – Reduce seasonal parks staff.  
Police – Eliminate paid reserve office program by \$25,000. It was not implemented.

Councilperson Johnson stated that he didn't hear any mention of partnerships with county; public, private partnerships, or outsourcing listed under Personnel. He did not agree with encouraging early retirements for long term employees. He stated his concern of job creations.

Discussion continued:  
Operational Savings: Janitorial contracts. Hire employees to save money.  
Building Inspection – Eliminate/reduce professional service cost.

Mayor Hall stated privatization may be more expensive.

Discussion followed:  
Council – Eliminate MPOG funding.  
Parks and Recreation – The Babe Ruth and Cal Ripken program is subsidized by the City.

Councilperson Kezele stated that bringing in a soccer tournament or swim meet may bring in revenue for the Parks and Recreation Dept.

Councilperson Johnson stated the City may be mandated to provide transportation.

City Manager Rothweiler stated that the staff looked at public transportation. The threshold is 50,000 people in a service area.

Discussion followed on:  
Parks and Recreation City Pool – Do something to reduce the subsidy to the pool.  
Mowing outfits. \$100 per acre if privatized. The City can do it cheaper.  
Parks and Recreation  
Golf Contract.  
Reduce field preps for City programs.  
Recreation subsidy. Each year the City incurs \$440,000 in expenses; \$192,000 in revenue. The subsidy comes in on the youth side. Adult sports pay for themselves.

Vice Mayor Lanting stated that he does not agree with raising fees for youth and parents.

Councilperson Mills Sojka stated that she prefers to keep sports affordable. An idea would be to recover fees from parents that can afford the cost and implement a fee assistance program.

Extensive discussion followed on fee waiver program or a subsidized program.

Mayor Hall stated salaries of employees are a concern to him. Many of the neighboring communities in the State of Idaho have increased salaries. He stated that the City has to stay as competitive as possible. The things to look at are reducing costs which may include personnel. The City subsidizes certain areas in recreation and it is highly doubtful that someone would want to buy the pool and golf course, etc. The thought is to make the pool and golf course more efficient

to run better. In terms of roadways he encouraged staff to come up with innovative ways to free up funds to go towards roadways. He agrees on subsidizing youth and family activities.

Councilperson Mills Sojka agreed on raises for employees. The City does not want to lose talented hardworking people. She stated that she supports efficiencies instead of rising taxes. A week ago Senators and Legislators spoke to the Council and she was impressed by the leadership shown and example they have set for the Council. She would like to see efficiencies and partnerships. She agrees in funding streets as much as possible, and felt that the police force needs more detectives and the City needs to invest in our police force to keep it safe. She stated that she likes the idea of advertisements on the outfield and the signage.

Community Development continued discussing:  
Police – Renegotiate the Animal Control Contract with the County. (Disregard)  
Public works – Eliminate auto shop and perhaps privatize.  
Sanitation – Get rid of the wood waste program.

Capital savings  
Review capital expenses.  
Funding one time big capital expenses. Pay with reserve money and not place in the budget.

City Manager Rothweiler stated that the use of reserves is sometimes appropriate to use but not to supplement or support operational costs.

Jumpsite. Not a high priority.  
Revamp the car route rotation.

Councilperson Clow stated that the City needs to be the best employer we can be and what we can afford to do. When surveys are done he wonders what they are being compared to. In 2008 when the economy started to hit bottom cities were laying people off. He would like to know how many people they lay off in order to give raises. The City of Twin Falls did not lay off any employees. It would be interesting to see the numbers of employees we have today versus 2007 to 2011. An important part of the formula is how many police officers in other cities were laid off and rehired. When looking at averages, what is the cost of living in Boise and Nampa versus living in Twin Falls? He stated that he would like to find a way to give raises. Foregone is the big question and the budget shows not taking the 3% increase. Other communities have them and it would be interesting to find out how many communities have built in their foregone in the last 4 years versus those that have not, and if the cities have been taking their maximum of tax allowed.

Councilperson Johnson asked if the mill for the roads is on the discussion table somewhere.

City Engineer Fields stated there is no mill included in the long term plan.

Councilperson Mills Sojka recommended looking at receiving as much money as possible in federal grants. She stated that the County has a grant writer, so we could either partner with the County or make a position for grant writer.

City Manger Rothweiler stated staff would like to schedule a time to discuss the enterprise funds.

4. Public input and/or items from the City Manager and City Council.

**III. ADVISORY BOARD REPORTS/ANNOUNCEMENTS: The May 16, 2011, Council Meeting has been cancelled.**

**IV. PUBLIC HEARINGS: 6:00 P.M. None.**

**V. ADJOURNMENT: EXECUTIVE SESSION 67-2345. (1) (c) To conduct deliberations concerning labor negotiations or to acquire an interest in real property which is not owned by a public agency.**

Rescheduled for the May 9, 2011, City Council Meeting.

MINUTES  
May 2, 2011  
Page 10 of 10

The meeting adjourned at 8:21 P.M.

Leila A. Sanchez  
Deputy City Clerk, Recording Secretary