

# MINUTES

## CITY OF TWIN FALLS, IDAHO SPECIAL MEETING

A Special Meeting of the City Council will be held in the City Council Chambers located at 305 Third Avenue East, on Thursday, August 22, 2013, at 4:00 P.M.

Purpose of the meeting:

1. Discussion on the 2014 Fiscal Year Budget
2. 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 others states or nations.

**Leila Sanchez**  
**Deputy City Clerk**

Present: Shawn Barigar, Don Hall, Suzanne Hawkins, Gregory Lanting, Jim Munn, Jr., Rebecca Mills Sojka, Chris Talkington

Absent: None

Staff Present: City Manager Travis Rothweiler, City Attorney Fritz Wonderlich, Chief Finance Officer Lorie Race, Budget Coordinator Pat Lehmann, Police Chief Brian Pike, Community Development Director Mitch Humble, Human Resources Director Susan Harris, Asst. to the City Manager Mike Williams, Economic Development Director Melinda Anderson, IS Manager Mick Turner, Fire Chief Ron Clark, PIO Josh Palmer, Parks & Recreation Director Dennis Bowyer, Assistant Finance Director Brent Hyatt, Finance Accountant Bill Baxter, Airport Manager Bill Carberry, Assistant City Engineer Troy Vitek, Captain Matt Hicks, Deputy City Clerk/Recording Secretary Leila A. Sanchez

Mayor Lanting called the meeting to order at 4:00 P.M. He then invited all present, who wished to, to recite the pledge of Allegiance to the Flag with him. Mayor Lanting introduced staff.

#### 1. Discussion on the 2014 Fiscal Year Budget

City Manager Rothweiler explained the budget (\$52,937,917) was adopted on August 19, 2013. Based upon information received from the County Assessor's Office on August 19, 2013, the total taxable value of the City was \$2,335,649,471. On August 19, 2013, staff received an email from the County with a series of spreadsheets that basically said for the City to use the number of \$2,408,000,000, to calculate the tax rate. Staff believed a correction would be made. On August 20, 2013, the County adjusted that number to \$2,193,567,098. The market value went from \$2,335,649,471 to \$2,193,567,098 in a span of a matter of hours. The County made an error which was a result of a new process due to the legislature's change on how personal property taxes are now calculated. Chobani's personal property tax of \$214,000,000 was credited to the City and all the other taxing entities outside of the Urban Renewal Agency. When the error was caught, the \$214,000,000 was credited to the Urban Renewal Agency Revenue Allocation 3 and was removed from Twin Falls County, Twin Falls School District, The College of Southern Idaho and the City of Twin Falls total taxable values.

Pre-August 20, 2013, the tax rate was projected to decrease from FY 2013. Determining the tax rate uses a mathematical formula: total government spending on total property collections of \$17,286,000 divided by the total taxable value of the City, which equals \$7.40. The tax rate illustrates the proportionate share of what you owe in taxes for every \$1,000 of value of property. Post-August 20, the revenue side remained unchanged because the City anticipates collecting a 3% increase in revenue but what did change was the denominator, which is the total taxable value of the City. The new tax rate is \$7.88, should government tax collection revenue remain unchanged. The tax rate the previous year was \$7.71. The tax rate in 2007 was \$7.83. \$1.5 million dollars would need to be cut out of the adopted budget should the Council choose to keep the tax rate at \$7.40. If the Council chooses to keep the rate flat at \$7.71, the total taxable revenues will need to be reduced by \$359,216. The team is prepared to assist the Council for any action or questions they may have for staff.

Council discussion followed:

Councilperson Mills Sojka, Barigar and Hawkins, stated they committed to take the statutory allowed 3% increase amount and spoke in favor of not making any changes to the budget.

Councilperson Barigar stated that the budget was established from community input that came from the Strategic Plan and community input through the budget process.

Vice Mayor Hall asked what budget cuts would need to be made should the Council choose to keep the tax rate at \$7.40.

City Manager Rothweiler recommended the following cuts be made if the tax rate is changed:

- Reduction to the Twin Falls Canyon Rim Trails from \$208,000 to \$150,000
- Reduction to City Manager Personnel Training from \$46,000 to \$23,000
- Reduction to Twin Falls Public Library of \$17,000
- Reduction to the Contingency Fund from \$211,000 to \$200,000
- Remove the Human Resources Employee Wellness Program
- Remove Airport Vehicle
- Postpone the Parks Master Plan
- Remove Intern Positions
- Remove Municipal Program Outsource Grant with the exception of the band
- Remove Grant Writer Position
- Remove Swimming Pool Landscaping
- Remove Community Garden

City Manager Rothweiler responded to Councilperson Hawkins' question and explained that if a 2% increase in revenue was approved, the amount of new revenue collected would be reduced by \$166,000 and would make the tax rate \$7.80.

**MOTION:**

Councilperson Munn made the motion to reduce the tax rate to \$7.71 per \$1,000 per taxable value and make subsequent cuts to drop the rate. The motion was seconded by Councilperson Talkington.

Council discussion followed.

Councilperson Talkington stated that the County Assessor's Office through human error has cost the Council a great loss of faith with persons who diligently followed the budget.

Councilperson Munn explained that the majority of the objectives outlined in the Strategic Plan will be met with the reductions made in the budget.

Mayor Lanting stated that during the budgeting process, Council was under the assumption the rate would be \$8.04, and now with the new information from the County the rate decreased to \$7.88; therefore he will be voting against the motion.

Roll call vote showed Councilpersons Munn and Talkington voted in favor of the motion. Councilpersons Barigar, Hall, Hawkins, Lanting, and Mills Sojka voted against the motion. Failed 2 to 5.

2. 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 others states or nations.

**MOTION:**

Councilperson Mills Sojka made a motion to adjourn to Executive Session pursuant to Idaho Code 67-2345(1)(e). The motion was seconded by Councilperson Barigar and roll call vote showed all members present voted in favor of the motion. Approved 7 to 0.

The meeting adjourned at 6:17 p.m.

Leila A. Sanchez  
Deputy City Clerk/Recording Secretary