Twin Falls City Council
Agenda

Monday, August 1, 2022, 4:00 PM

Council Chambers
203 Main Avenue East, Twin Falls, Idaho
Special Meeting
Executive Session 74-206 (1)(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.

Members: Ruth Pierce, Christopher Reid, Craig Hawkins, Nikki Boyd, Shawn Barigar, Jason Brown, Spencer Cutler

1) CALL MEETING TO ORDER/CONFIRMATION OF QUORUM

2) EXECUTIVE SESSION

   a) **ACTION ITEM:** Executive Session 74-206 (1)(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.

   By: Travis Rothweiler, City Manager

3) PLEDGE OF ALLEGIANCE

4) PROCLAMATIONS - None.

5) CONSENT CALENDAR

   a) **ACTION ITEM:** Request to approve the Summer Showdown Car Show event.

   By: Lou Coronado, Sergeant, Twin Falls Police Department

   b) **ACTION ITEM:** Request to approve Accounts Payable for July 21-27, 2022.

   By: Amy Luna, Finance Administrative Assistant

   c) **ACTION ITEM:** 20220725 City Council Minutes.

   By: Erin Parrish, Executive Assistant

   d) **ACTION ITEM:** Request for City Council to approve acceptance of the Edward Byrne Memorial Jag Grant

   By: Craig Kingsbury, Chief of Police, Twin Falls Police Department

6) ITEMS OF CONSIDERATION

   a) **PRESENTATION:** Presentation of POST Basic Certificates to Officers Ryan Carlson, Alexandra McClain, and Riley Whiteley, Presentation of POST Basic and Intermediate Certificates to Officer Kevin Warner, and the POST Advanced Certificate to Officer Salko Lilic.

   By: Craig Kingsbury, Chief of Police, Twin Falls Police Department

b) **<u>PRESENTATION:</u>** Formal ceremony presenting Officer Candace Orr to the position of Corporal.

By: <u>Craig Kingsbury, Chief of Police, Twin Falls Police Department</u>

c) **<u>ACTION ITEM:</u>** Request from Southern Idaho Tourism and Jerome 20/20 to allocate contingency funds in the amount of $10,000 for the Auger Falls broken bridge project.

By: <u>Melissa Barry, Executive Director, Southern Idaho Tourism</u>

d) **<u>ACTION ITEM:</u>** Request to pass Ordinance 2022-014 amending City Code to clarify penalty language for certain violations.

By: <u>Sam Beus, Deputy City Prosecutor</u>

e) **<u>ACTION ITEM:</u>** Acceptance of Shawn Barigar's resignation from the City Council and discussion on the process to fill the vacancy created by the resignation.

By: <u>Travis Rothweiler, City Manager</u>

f) **<u>PRESENTATION:</u>** A presentation on the finances of the City of Twin Falls for the third quarter of fiscal year 2021-2022.

By: <u>Breanna Howard, CFO</u>

g) **<u>PRESENTATION:</u>** A presentation of the City Manager's Recommended Budget for FY 2022-2023.

By: <u>Travis Rothweiler, City Manager</u>

7) <u>GENERAL PUBLIC INPUT</u>

8) <u>ADVISORY BOARD REPORT/ANNOUNCEMENTS</u>

9) <u>PUBLIC HEARINGS - None.</u>

10) <u>ADJOURNMENT</u>

Any person(s) needing special accommodations to participate in the above-noticed meeting could contact Josh Palmer (208) 735-7312 at least two working days before the meeting. Si desea esta información en Español, por favor llame a Josh Palmer al teléfono (208) 735-7312.

Public Input Procedures

1. Individuals wishing to provide public input regarding matters relevant to the City of Twin Falls shall:
- Wait to be recognized by the Mayor or Chairman
- Approach the microphone/podium
- State their name, and whether they are a resident or property owner in the City of Twin Falls, and proceed with their input.

2. The Mayor or Chairman may limit input to no less than two (2) minutes. Individuals are not permitted to give their time to other speakers.

Public Hearing Procedures for Zoning Requests

1. Prior to opening the first Public Hearing of the session, the Mayor or Chairman shall review the public hearing procedures.

2. Individuals wishing to testify or speak before the City Council or Planning & Zoning Commission shall wait to be recognized by the Mayor or Chairman, approach the microphone/podium, state their name, and then proceed with their comments. Following their statements, they shall write their name and address on the record sheet(s) provided by the staff. The staff shall make an audio recording of the Public Hearing.

3. A City Staff Report shall summarize the application and history of the request.

4. 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.

5. 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 or Chairman.

6. The City Council or Planning & Zoning Commission may ask questions of staff or the applicant pertaining to the request.

7. The general public will then be given the opportunity to provide their testimony regarding the request. The Mayor or Chairman may limit public testimony to no less than two (2) minutes per person.
- Individuals are not permitted to give their time to other speakers.
- However, five (5) or more individuals that received written notice of the public hearing may appoint, 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 or Chairman. The spokesperson shall be limited to 15 minutes.
- Written comments, including e-mail, received by 12:00 p.m. on the date of the hearing shall be either read into the record or displayed to the public on the overhead projector.

8. Following the Public Testimony, the applicant is permitted five (5) minutes to respond to Public Testimony.

9. Following the Public Testimony and Applicant's response, Council or Commission members, as recognized by the Mayor or Chairman, shall be allowed to question the Applicant, Staff or anyone who has testified. Responses shall be limited to answering the questions asked. The Mayor or Chairman may limit the time permitted for the answer.

10. The Mayor or Chairman shall close the Public Hearing. The City Council or Planning & Zoning Commission 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 or Chairman.

Date: Monday, August 1, 2022

To: Honorable Mayor and City Council

From: Lou Coronado, Sergeant, Twin Falls Police Department

ACTION ITEM

Request:

Request to approve the Summer Showdown Car Show event.

Time Estimate:

Staff is requesting this item be placed on the Consent Calendar

Background:

Richard Linares, on behalf of the Summer Showdown, has submitted a special events application requesting to hold a Summer Showdown Car Show. The car show will be held on August 27, 2022, from 10:00 a.m. - 4:00 p.m.

The car show will be held at the Twin Falls City Park. They will have amplified sound in the form of recorded music and an announcement of trophy winners.
Mr. Linares says this is a family-friendly event. All are welcome to come out and enjoy all the nice-looking cars that will be on display.

Approval Process:

Consent of the City Council

Budget Impact:

There is no impact to the budget.

Regulatory Impact:

N/A

History:

N/A

Analysis:

N/A

Conclusion:

This Special Events Application has been approved by several relevant City Staff members and the Twin Falls Police Department Staff. It is recommended that this request be approved by the City Council as presented.

Attachments:

None

Twin Falls City Council
Minutes

Monday, July 25, 2022, 4:00 PM

Council Chambers
203 Main Avenue East, Twin Falls, Idaho

** Special Meeting **
74-206. EXECUTIVE SESSIONS 74-206 (1)(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.
Regular Meeting will begin at 5:00PM.

1) CALL MEETING TO ORDER/CONFIRMATION OF QUORUM

Present:	Mayor Ruth Pierce, Vice Mayor Christopher Reid, Council Members Craig Hawkins, Spencer Cutler, Nikki Boyd, Jason Brown, Shawn Barigar.
Absent:	None.
Staff Present:	Travis Rothweiler, City Manager; Mitch Humble, Deputy City Manager; Gretchen Scott, Deputy City Manager; Breanna Howard, Chief Financial Officer; Mathew Farnes, Budget Coordinator; Erin Parrish, Executive Assistant; Nicole Swafford, Deputy City Prosecutor; Bill Carberry, Airport Manager; Jonathan Spendlove, Planning and Zoning Director; Kim Hafer, Desktop Support Analyst; Josh Baird, Public Works Director; Erin Steel, Assistant Public Works Director; Rob Bohling, Water Distribution Superintendent; Ida Clark, Human Resources Director; Tara Bartley, Librarian Director; Samantha Hammond, City Manager Inter; Tami Lauda, Communications Center Manager; Ian Zollinger, City Planner; Twin Falls Fire Department Members: Chief Les Kenworthy, Captain Josh Kliegl, Training Officer, Captain Corey Beam; Kyle Eldridge, Driver, Lane Barker, Rick Hatridge, Joseph Casias; Twin Falls Police Department Members: Chief Craig Kingsbury, Lieutenant Terry Theuson, Captain Matt Hicks, Captain Brent Wright, Lieutenant Craig Stotts, Lieutenant Justin Dimond, Lieutenant Chuck Garner.

Mayor Pierce called the meeting to order at 04:00 PM.
A quorum was present.

2) EXECUTIVE SESSION

a) **EXECUTIVE SESSIONS 74-206 (1)(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.
MOTION: Council Member Cutler moved to convene into Executive Session 74-206 (1)(b). **Council Member Barigar** seconded the motion. Roll call vote showed all members present voted. Approved 6 to 0.

The Executive Session convened at 4:03PM.
The Executive Session ended at 4:57PM.

3) PLEDGE OF ALLEGIANCE

Mayor Pierce invited all present, who wished, to recite the Pledge of Allegiance to the Flag.

4) **PROCLAMATIONS**
None.

5) **CONSENT CALENDAR**
MOTION: Council Member Hawkins moved to approve the Consent Calendar as published. **Council Member Barigar** seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

a) City Council July 18, 2022 Minutes.
b) Request to approve Accounts Payable for July 14-20, 2022.
c) Request to approve July 20, 2022, Travel Requests.
d) Request to approve the Fill the Boot fundraising event.
e) Approval of the Findings of Fact and Conclusions of Law:
Prosperity Hills ZDC/ZDA (PZ22-0035)
Washington Fire Station Final Plat (PZ22-0122).

6) **ITEMS OF CONSIDERATION**

a) Request to award the Blue Lakes Country Club Roadside Stream Pipeline project to PMF, inc. of Twin Falls, Idaho in the amount of $504,683.07.
Erin Steel, Assistant Public Works Director, presented the request.
City Manager Rothweiler gave more information to clarify more on the project.

Discussion ensued on the following:
Council Member Cutler asked for clarification on the pricing of the rebid.

MOTION: Vice Mayor Reid moved to approve a request to award the Blue Lakes Country Club Roadside Stream Pipeline project to PMF, Inc, of Twin Falls, Idaho for the amount of $504,683.07. **Council Member Boyd** seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

b) Request to approve the State and Local Fiscal Recovery Fund Ad Hoc Charter and Committee.
Breanna Howard, Chief Financial Officer, presented the request.

Discussion ensued on the following:
Mayor Pierce asked that the committee should have their recommended projects by the end of this year.
Council Member Barigar stated he thought it was an excellent idea to engage citizens on the committee to best meet the needs of our citizens.
Mayor Pierce stated she thinks it is great to help complete projects that otherwise wouldn't get completed without bonds.

MOTION: Council Member Brown moved to approve the request to approve the State and Local Fiscal Recovery Rund Ad Hoc Charter and Committee. **Council Member Hawkins** seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

c) A presentation of the City Manager's Recommended Budget for FY 2022-2023.
Travis Rothweiler, City Manager, began the presentation for the City Budget Focus Areas 2 & 3.

Tara Bartley, Librarian Director, spoke on behalf of the Twin Falls Public Library for Focus Area 2, a Learning Community.
A capital improvement project request is to replace the main air handling unit.

Council Member Cutler asked for clarification on how the library is governed independent of the city's line of authority, but we provide the funding.

Lieutenant Justin Dimond, Twin Falls Police Department, spoke about Focus Area 3 and the role of the police department. He spoke about needing range improvements for training purposes, bomb suit replacement, traffic cameras, and red dot pistol sights.
Council Member Boyd asked about rifles and checking them in and out.
Vice Mayor Reid thanks him for the update on the items that are not being purchased, but still needed.

Chief Les Kenworthy, Twin Falls Fire Department, spoke about Focus Area 3 and the role of the Fire Department. Gave an update on the current fire station work, and then requested a Fire Deputy Chief position and the need for it.

Josh Kliegl, Training Officer, gave an update on the new training facility
Council Member Boyd talked about the need for the training facility and that she's happy it had finally happened.

Captain Cory Beam, Twin Falls Fire Department, presented information on the Luna Device.
Vice Mayor Reid asked how many thermal imagers we would get for the $61,000.

Nicole Swafford, Deputy City Prosecutor, spoke about what prosecutors do on a daily basis, about the need for an additional Deputy City Prosecutor.
Council Member Hawkins joked that Nicole's presentation wore him out.
Travis Rothweiler, City Manager, spoke on the projects list the Council can choose from to fund their own project desires.
Council Member Barigar commented on the Council Directed fund.
Vice Mayor Reid asked when we needed to finalize the budget.

7) **GENERAL PUBLIC INPUT**
None.

8) **ADVISORY BOARD REPORT/ANNOUNCEMENTS**
Council Member Barigar read the following statement:

"Dear Citizens of Twin Falls, Mayor Pierce, and Council Members:

I respectfully submit to you my resignation from service to the community in Seat 3 on the Twin Falls City Council effective upon the adjournment of tonight's City Council meeting.

The City of Twin Falls has released a job posting seeking to fill the Economic Development Director position, and I intend to apply for this position. After consulting with the City Attorney, my active application for the position would be a legal conflict of interest for my continued service on the Council.

I am incredibly humbled and honored to have served on the Twin Falls City Council for more than 14 years. Thank you to the citizens of Twin Falls, to the current and past Council members, to current and past City staff, and most importantly to my family for the support you've offered during my tenure on the City Council. It's been a tremendous time of growth and prosperity for our evolving City. It's been my privilege to serve during this brief window of Twin Falls history."

Travis Rothweiler, City Manager, stated the Council would have to accept his resignation on next week's agenda and then he will go over the process of filling the seat.

9) PUBLIC HEARINGS

a) Request for approval of the PY 2022 Community Development Block Grant (CDBG) Annual Action Plan and substantial amendments to the 2020-2024 Consolidated Plan and 2020 and 2021 Annual Action Plans.
Mayor Pierce read the rules of the Public Hearing.
Ian Zollinger, City Planner, introduced **Melissa Mailloux**, the applicant, who presented the request for approval.
Council Member Brown clarified that the money would go to city park updates.

Mayor Pierce opened the Public Hearing portion at 6:54PM.
Mayor Pierce closed the Public Hearing portion at 6:55PM.

MOTION: Council Member Barigar moved to approve the 2022 Community Development Block Grant (CDBG) Annual Action Plan and substantial amendments to the 2020-2024 Consolidated Plan and 2020 and 2021 Annual Action Plans. **Council Member Boyd** seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

10) ADJOURNMENT
The meeting adjourned at 06:57 PM.

____
Erin Parrish, Executive Assistant

For a full account of this meeting please visit tfid.org for the recording of this meeting

MEMORANDUM OF UNDERSTANDING``
Edward Byrne Memorial Justice Assistance Grant (JAG) Program
FY 2021 Local Solicitation

This Memorandum of Understanding (MOU) is made this ___ day of August, 2022 between the County of Twin Falls (County) acting through its governing body, the Board of County Commissioners and the City of Twin Falls (City), acting through its governing body, the City Council, regarding the JAG FY 2022 Local Solicitation. Both County and City witnesseth:

RECITAL

WHEREAS, the County anticipates receiving funds from the Edward Byrne Memorial Justice Assistance Grant (JAG) Program FY 2022 Local Solicitation AND

WHEREAS, the purpose of those funds is to allow local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system through law enforcement programs, prosecution and court programs, prevention and education programs, corrections and community correction programs, drug treatment programs and planning, evaluation, and technology improvement programs AND

WHEREAS, each governing body, finds that performance of this MOU is in the best interests of both parties and that the undertaking will benefit the public, AND

WHEREAS, a portion of those funds would benefit the City.

NOW, THEREFORE, in consideration of the above, the parties agree as follows:

1. FUNDS:

County agrees to pay City a total of 45 (forty-five) percent of the awarded JAG funds. The County will receive the remaining 55 (fifty-five) percent, 10 (ten) percent of which is to be used for administering the account for both entities.

City agrees to use the allotted funds for Law Enforcement Leadership training, technology improvements, related equipment and supplies or other allowable greatest need programs within the scope of the grant until September 30, 2024.

2. DUTIES:

Each party to this agreement will be responsible for its own actions to provide for the proper use of the funds.

ENFORCEMENT: Each party agrees to be responsible for the enforcement of its own Code within the area of impact. To the extent that the Codes overlap, Twin Falls City Code will control and will be enforced by the City.

3. ASSIGNMENT:

The duties and funds of this MOU are not assignable.

4. COMPLETE AGREEMENT:

This MOU represents the entire agreement of the parties. By entering into this MOU, the parties do not intend to create any obligations express or implied other than those set out herein; further this MOU shall not create any rights in any party not a signatory hereto.

THE participating parties to this MOU, pursuant to the power of the authority conferred on them by the laws of the State of Idaho, have executed this Agreement on the date set forth below.

DATED this ____ day of August, 2022

CITY OF TWIN FALLS

By: ____________________

Ruth Pierce
Mayor of Twin Falls

DATED this ____ day of August, 2022

COUNTY OF TWIN FALLS

By: ____________________

Jack Johnson
Chairman, Twin Falls County
Board of Commissioners

By: ____________________

Don Hall
Commissioner

By: ____________________

Brent Reinke
Commissioner

ATTEST:

By: ____________________________

Kristina Glascock
County Clerk

Date:	Monday, August 1, 2022
To:	Honorable Mayor and City Council
From:	Craig Kingsbury, Chief of Police, Twin Falls Police Department

PRESENTATION

Request:

Presentation of POST Basic Certificates to Officers Ryan Carlson, Alexandra McClain, and Riley Whiteley, Presentation of POST Basic and Intermediate Certificates to Officer Kevin Warner, and the POST Advanced Certificate to Officer Salko Lilic.

Time Estimate:

This presentation will take approximately 10 minutes.

Background:

Ryan Carlson was born and raised in Twin Falls, Idaho. After graduating from Twin Falls High School, he attended Weber State University on a track and field scholarship, specializing in the high jump and hurdles. Ryan graduated with a Bachelor of Science Degree in Criminal Justice, minoring in Communications. After spending his college years in Utah, Ryan moved back to Idaho, and began his career in Law Enforcement at the Twin Falls County Sheriffs Office. Ryan spent a little over two years working as a Detention Deputy at the Twin Falls County Jail. Ryan was offered a position as a patrol officer at the Twin Falls Police Department in June 2021, which he gladly accepted. Ryan has completed one year with the Twin Falls Police Department, and has received his POST Basic Certification.

Alexandra McClain grew up in Buhl, Idaho and graduated from Buhl High School in 2011. Alex began working for Felony Probation and Parole in 2014 while attending BSU where she earned her bachelor's degree in criminal justice. Alex decided to follow her career dreams in 2020 and applied with theTFPD, where she was hired in May 2021. Alex has completed just over one year with the Twin Falls Police Department and has received her POST Basic Certification.

Riley Whiteley was hired with the Twin Falls Police Department in August 2021. Riley's family relocated to Twin Falls from Logan, Utah after graduating from USU. Riley grew up in Oakley, Idaho and is glad to be back in the area. Riley has completed one year with the Twin Falls Police Department and has earned his POST Basic Certification.

Kevin Warner was born and raised in Northwest Ohio. He attended the University of Toledo until 2016, when he was hired by the San Diego Police Department. Kevin enjoyed his time with the San Diego Police Department from September 2016 until July 2021. Kevin was hired as a patrol officer with the Twin Falls Police Department in August of 2021.

Salko Lilic was hired by the Twin Falls Police Department on March 14, 2016, as a full-time Police Officer. Salko was born in Bosnia in 1991. The war in Bosnia took place from 1992 through 1995, which made life very complicated. Salko lost his father in that war. Salko, his mother and one of his sisters came to Twin Falls on February 12, 2002, to join some aunts and uncles who were already living here. One of his sisters lives in Bosnia and another sister lives in Australia. Salko graduated from Twin Falls High School. He went on to further his education at the College of Southern Idaho where he attained Associate's Degrees in

Law Enforcement and Criminal Justice. In 2016, Salko received his Bachelor's Degree in Criminal Justice from Boise State University. Salko attended POST Basic Patrol Academy, Session 186, and graduated on June 3, 2016. He was awarded his POST Basic Patrol Certification in November 2016, and his POST Intermediate Certificate in October 2018. It is with great pleasure that we present Salko with the Advanced Certification from the State of Idaho Peace Officer Standards and Training Council.

The personal commitment of these Officers to better themselves through training has helped the Twin Falls Police Department in achieving its goal of being the best Police Department in the State of Idaho.

Approval Process:

N/A

Budget Impact:

This will not impact the city budget.

Regulatory Impact:

N/A

History:

N/A

Analysis:

N/A

Conclusion:

Chief Kingsbury would like to present these POST certifications before the City Council on Monday, August 1, 2022.

Attachments:

None

Date: Monday, August 1, 2022

To: Honorable Mayor and City Council

From: Craig Kingsbury, Chief of Police, Twin Falls Police Department

PRESENTATION

Request:

Formal ceremony presenting Officer Candace Orr to the position of Corporal.

Time Estimate:

Less than 10 minutes

Background:

Candace Orr was hired by the Twin Falls Police Department as a patrol officer in June, 2016. Candace was born and raised in Winnemucca, Nevada and moved to Idaho in 2012 where she attended the College of Southern Idaho. She enrolled in the Law enforcement Program and graduated in 2014 with an associates degree in criminal justice and law enforcement. After graduating, she went to work for the Mountain Home Police Department as a patrol officer until she was hired by the Twin Falls Police Department, which is where she always hoped to be. Candace has served as a field training officer for the last four years. She is a taser instructor and a member of the Honor Guard team. Candace holds an intermediate certification from the State of Idaho Peace Officer Standards and Training Council.

Approval Process:

N/A

Budget Impact:

N/A

Regulatory Impact:

N/A

History:

N/A

Analysis:

N/A

Conclusion:

Chief Kingsbury will be formally promoting Corporal Candace Orr before Honorable Mayor Pierce and members of the City Council on August 1, 2022.

Attachments:

None

Date: Monday, August 1, 2022

To: Honorable Mayor and City Council

From: Melissa Barry

ACTION ITEM

Request:

Request from Southern Idaho Tourism and Jerome 20/20 to allocate contingency funds in the amount of $10,000 for the Auger Falls broken bridge project.

Time Estimate:

Presentation will take approximately 5 minutes. Allow time for discussion.

Background:

Please see the attached letter.

Approval Process:

A simple majority will approve financial support.

Budget Impact:

As an unbudgeted item, the $10,000 could be sourced from Council directed capital or cash reserves of contingency funds.

Regulatory Impact:

History:

Analysis:

Conclusion:

Attachments:

1. Request Letter_City of Twin Falls 2022_Broken Bridge

SOUTHERN IDAHO TOURISM

City of Twin Falls
503 Main Ave S
Twin Falls, ID 83301

Dear City Staff:

Auger Falls Park is one of the city's most popular parks. The access to canyon recreation is fantastic and the user group continues to grow. We approached the City of Twin Falls in 2019/2020 with a request to provide matching funds for a project that would connect Auger Falls across the Snake River and to the Snake River Canyons Park. This connection will provide a safe and very needed pedestrian connection across the river. Commonly referred to as the Broken Bridge project, this crossing would provide access to a steep grade trail for runners and bikers. Park users will be able to safely train on Yingst Grade without interfering with traffic and the bridge will provide access to the developing trail system in the Snake River Canyons Park. Eventually this will be a key connection for a larger loop trail that will give recreators an option to enjoy both parks and sides of the canyon.

The previous grant request was approved, but unfortunately the federal guidelines on the funding inhibited us from any final use of the funds. It's been a long two years since that initial request, but new funding has been identified and we are moving forward again on the project. Jerome County has approved ARPA funding for the grant amount of bridge. This is fantastic news and lets us move back into the planning stages of development.

It is currently estimated that the structure will take a minimum of 7-8 months to complete and be delivered. This would mean funding wouldn't need to be finalized until 2023's budget. The City of Twin Falls previously committed $10,000 to this project. We, along with Jerome 20/20 request your renewed support. . Your contribution would be part of a $275,000 pool to complete the project. There are several other organizations that are part of this funding group and all have recommitted to funding, with the exception of MAVTEC. With the unfortunate timing of our pause and their dissolution, their $20,000 contribution is uncertain. We would ask that the City of Twin Falls consider a larger contribution to help get us to where we need to be. Please see attached presentation for additional information and resources.

Thank you for your consideration. We look forward to hearing from you and expanding our trail network.

Sincerely,

Melissa Barry
Executive Director

Date: Monday, August 1, 2022

To: Honorable Mayor and City Council

From: Sam Beus, Deputy City Prosecutor

ACTION ITEM

Request:

Request to pass Ordinance 2022-014 amending City Code to clarify penalty language for certain violations.

Time Estimate:

The estimated amount of time for this presentation is 10 minutes, with additional time for Council questions.

Background:

Recently in Twin Falls County, at least one judge has ruled that the penalty provisions in City Code with respect to property cleanliness are unclear. Legal Staff has similar concerns with regards to the penalties for harboring a vicious dog. If the penalties are unclear for a criminal violation, Idaho case law provides that the interpretation that is most favorable to the defendant should be adopted. This would prevent the City in certain cases from pursuing a misdemeanor offense where it may be justified. In one recent case regarding property cleanliness, neighbors complained for several years about a property yard filled with garbage and miscellaneous personal property. The property owner made minimal efforts to clean up the property. Using the misdemeanor penalties, we were able to coerce the property owner to clean up her property, and get her on probation with required counseling to deal with the mental health issues leading her to accumulate the property. In most cases, the City intends to continue to pursue the civil penalty provision in order to gain compliance, without the necessity of criminal penalties. However, we would like the appropriate tools if a civil penalty is not the appropriate approach.

Approval Process:

To pass an ordinance tonight, the reading rules will have to be suspended by motion. Five members of the council must approve the suspension of the reading rules and place Ordinance 2022-014 on third and final reading by title only. If placed on third and final reading by title only, a simple majority is required to pass the ordinance.

Budget Impact:

None

Regulatory Impact:

The intent of the existing City Code provisions is to provide both a civil fine and a criminal penalty option for violations with regards to property cleanliness and vicious dogs, but this intent is not particularly clear in the Code's current wording. These changes would clarify that the City can pursue either a civil fine or a criminal penalty, or both, for such violations.

History:

Analysis:

Conclusion:

Legal Staff recommends that Council pass Ordinance 2022-014.

Attachments:

1. 2022-014 - Combined Crim Code Changes

ORDINANCE NO. ______

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TWIN FALLS, IDAHO, AMENDING TITLES 6 AND 7 OF THE TWIN FALLS CITY CODE CLARIFYING POTENTIAL PENALTIES FOR CERTAIN OFFENSES, AND PROVIDING AN EFFECTIVE DATE THEREFOR.

Whereas, the current penalty provisions of City Code regarding vicious dogs and property cleanliness are somewhat unclear; and

Whereas, in certain cases the City would like a misdemeanor penalty available for violations of such code provisions,

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF TWIN FALLS, IDAHO:

Section 1: That Twin Falls City Code Title 6, Chapter 4 is amended as follows:

"**6-4-14: PROHIBITED ACTS:**

It is unlawful:

. . .

(I) For any person to own, have custody of or control of any dog or any other animal which is vicious or dangerous. A person violating the provisions of this Section shall be guilty of a misdemeanor punishable by up to 120 days in jail and/or a $1,000.00 fine. In addition to this penalty, a civil penalty of $100.00 may be assessed.

. . .

6-4-15: PENALTY:

Except as otherwise herein provided, ~~A~~any person violating the provisions of this chapter, upon conviction, shall pay an infraction penalty of one hundred dollars ($100.00). The court may also order, upon conviction or plea of guilty of the defendant for the crime of dog at large or vicious dog, the surrender of the dog to the animal control officer or police officer immediately for disposal, or the court may order that the violator post a bond or certificate of insurance in the amount of ten thousand dollars ($10,000.00)."

Section 2: That Twin Falls City Code 6-5-2 is amended as follows:

"**6-5-2: VEHICLES, EQUIPMENT PROHIBITED ON PROPERTY:**

(A) No person shall place, allow, discard, maintain, park or store any dismantled, abandoned, nonoperating, junked, damaged or destroyed household goods or equipment, "motor vehicles", "machinery" or "miscellaneous property" as herein defined upon any public street, alley, sidewalk or other public property within the city.

(B) No person, whether he be owner, tenant, occupant, lessee or otherwise of any private property or premises shall place, allow, discard, maintain, park, store or permit to be placed, allowed, discarded, maintained, parked or stored upon said property or premises for a period of time exceeding forty eight (48) hours any dismantled, abandoned, nonoperating, junked, damaged or destroyed "household goods and equipment", "motor vehicles", "machinery" or "miscellaneous property" as herein defined; provided, however, that the provisions of this subsection shall not apply to any property or premises where said household goods and equipment, motor vehicles, machinery or miscellaneous property is housed within an enclosed building thereon or to any property or premises lawfully operated as a business where the same is a part of said business enterprise and necessary to the operation of said business on said property or premises if kept within an area completely enclosed by a screening fence so that the property enclosed is not visible to the public ~~and~~ or to neighboring property owners.

(C) The city, through its employees, may issue warning notices for any violation of this section. If the violation is not corrected by the reinspection date set on the warning notice, a civil penalty of one hundred dollars ($100.00) may be assessed for the first violation, two hundred dollars ($200.00) for the second violation, and three hundred dollars ($300.00) for the third and subsequent violations during the same calendar year.

(D) In addition to the civil penalties enumerated in Paragraph (C), violation of this Section is a misdemeanor punishable by up to sixty (60) days in jail and/or a $300 fine. Economic costs incurred by the city, or another party expended to bring the property into compliance with this section may be charged as restitution in the criminal case."

Section 3: That Twin Falls City Code 7-5-2 is amended as follows:

"**7-5-2: WEEDS, GRASS AND RUBBISH REMOVAL:**

(A) Every owner, tenant or occupant of private property within the City shall cut and remove the weeds and grass and clean and remove rubbish as often as necessary to keep the property neat, and to prevent weeds from seeding on said private property to the center of any street or alley along or in front of such property, including the parking within and the curbing abutting such property.

(B) Should any owner, tenant or occupant of private property within the City fail or neglect to cut or remove the weeds, grass and rubbish as herein required, the City may then have its proper officers or employees cut and remove the weeds, grass and rubbish and assess the cost of such cutting and removal against such property and the same shall be a lien thereon. Such assessment to be certified to the County Assessor or other proper County officer having charge of making up of the assessment rolls and such assessment to be placed on the assessment rolls and collected in the same manner as other Municipal taxes are collected. (1958 Code, ch. VI, art. 8)

(C) The City, through its employees, may issue warning notices for any violation of this Section. If the violation is not corrected by the reinspection date set on the warning notice, a civil penalty of one hundred dollars ($100.00) shall be assessed for the first violation, two hundred dollars ($200.00) for the second violation, and three hundred dollars ($300.00) for the third and subsequent violations during the same calendar year.

(D) In addition to the civil penalties enumerated in Paragraph (C), violation of this Section is a misdemeanor punishable by up to sixty (60) days in jail and/or a $300 fine. Economic costs incurred by the city, or another party expended to bring the property into compliance with this section may be charged as restitution in the criminal case."

Section 4: That Twin Falls City Code 7-5-5 is amended as follows:

"~~**7-5-5: PENALTY:**~~

~~Any person who violates any provision of this Chapter shall, upon conviction, be guilty of a misdemeanor and shall be subject to a fine not exceeding three hundred dollars ($300.00) or imprisonment for a period of time not exceeding sixty (60) days or by a combination of such fine and imprisonment.~~"

Section 5: That this ordinance is effective immediately upon publication.

PASSED BY THE CITY COUNCIL ________________________, 2022

SIGNED BY THE MAYOR ________________________, 2022

____

Mayor

ATTEST:

____

Deputy City Clerk

PUBLISH: Thursday, __________________, 2022

Date:	Monday, August 1, 2022
To:	Honorable Mayor and City Council
From:	Travis Rothweiler, City Manager

Request:

Acceptance of Shawn Barigar's resignation from the City Council and discussion on the process to fill the vacancy created by the resignation.

Time Estimate:

The estimated amount of time for this presentation is 15 minutes, with additional time for Council questions.

Background:

At the July 25, 2022, City Council meeting, Shawn Barigar announced his resignation from the Twin Falls City Council after 14 years of service. He intends to apply for the City of Twin Falls' Economic Development Director open position. In consultation with Shayne Nope, the City of Twin Falls City Attorney, Shawn learned that he cannot legally or ethically apply for a city position and serve as a member of the City Council.

The City Council must accept Mr. Barigar's resignation and begin the process to fill the vacancy created by his resignation. Idaho Code 50-704 gives the Mayor the authority to appoint a qualified individual to the role, with the consent of the City Council. Historically, the Mayor has included the members of the City Council in the process.

The City Manager will also outline a series of options the City Council can use to appoint a qualified individual to fill this vacancy. The individual appointed will serve the balance of this term. The election will for this seat will occur in November 2023.

Approval Process:

A simple majority vote is required to approve this request.

Budget Impact:

There is no budget impact with this request.

Regulatory Impact:

50-704. VACANCIES — APPOINTMENT. A vacancy on the council shall be filled by appointment made by the mayor with the consent of the council, which appointee shall serve only until the next general city election, at which such vacancy shall be filled for the balance of the original term.

50-702. QUALIFICATION OF COUNCILMEN — TERMS — INSTALLATION. Any person shall be eligible to hold the office of councilman of his city who is a qualified elector at the time his declaration of candidacy or declaration of intent is submitted to the city clerk and remains a qualified elector under the constitution and laws of the state of Idaho. Each councilman elected at a general city election, except as otherwise specifically provided, shall hold office for a term of four (4) years, and until his successor is elected and qualified. Councilmen elected at each general city election shall be installed at the first meeting in January following election. The manner of conducting that meeting shall be as herein set forth and not otherwise: the incumbents shall meet and conduct such business as may be necessary to conclude the fiscal matters of the preceding year; the newly elected shall then subscribe to the oath of office, be presented certificates of election, assume the duties of their position, and conduct such business as may be necessary, one (1) item of which shall be the election of a member as president of the council.

Conclusion:

Staff recommends that Council accept Shawn Barigar's letter of resignation.

Attachments

1. None

July 25, 2022

Dear Citizens of Twin Falls, Mayor Pierce, and Council Members:

I respectfully submit to you my resignation from service to the community in Seat 3 on the Twin Falls City Council effective upon the adjournment of tonight's City Council meeting.

The City of Twin Falls has released a job posting seeking to fill the Economic Development Director position, and I intend to apply for this position. After consulting with the City Attorney, my active application for the position would be a legal conflict of interest for my continued service on the Council.

I am incredibly humbled and honored to have served on the Twin Falls City Council for more than 14 years. Thank you to the citizens of Twin Falls, to the current and past Council members, to current and past City staff, and most importantly to my family for the support you've offered during my tenure on the City Council. It's been a tremendous time of growth and prosperity for our evolving City. It's been my privilege to serve during this brief window of Twin Falls history.

Sincerely,

Shawn A Barigar

Shawn Barigar
Twin Falls City Council
Seat 3
Term: 2020-2023

Date: Monday, August 1, 2022

To: Honorable Mayor and City Council

From: Breanna Howard, CFO

PRESENTATION

Request:

A presentation on the finances of the City of Twin Falls for the third quarter of fiscal year 2021-2022.

Time Estimate:

The estimated amount of time for this presentation is 20-30 minutes, with additional time for Council questions.

Background:

The information presented includes a comparison of budget to actual information for revenues and expenditures in the tax supported funds and the three major enterprise funds. There will be an analysis on historical information and national comparisons.

Approval Process:

N/A

Budget Impact:

There is no action required by the City Council.

Regulatory Impact:

There is no regulatory impact.

History:

Analysis:

Conclusion:

There is no action required by the City Council.

Attachments:

1. 3rd Qtr Sanitation Fund
2. 3rd Qtr Tax Supported Funds
3. 3rd Qtr Wastewater Fund
4. 3rd Qtr Water Fund

City of Twin Falls
Sanitation Fund
June 30, 2022

9 of 12 months	75.0%

	Budgeted Rev	Actual Rev	% Received to Date
Admin Fee	$ 548,504	$ 32,216	5.9%
User Fees	2,372,195	2,897,618	122.1%
Landfill Fees	853,263	38,003	4.5%
Investment Income	7,200	7,628	105.9%
Miscellaneous	-	12,199	
Surplus Reserves	-		
Revenue Totals	$ 3,781,162	$ 2,987,664	79.0%

	Budgeted Exp	Actual Exp	
M & O	3,220,870	2,315,315	71.9%
Transfers	530,183	397,637	75.0%
Expenditure Totals	$ 3,751,053	$ 2,712,952	72.3%

Excess/<Deficit>	$ 30,109	$ 274,712	

City of Twin Falls
Summary of Tax-Supported Funds
June 30, 2022

9 of 12 months	75.0%

		Budgeted Rev	Actual Rev	% Received to Date
Property Taxes	$	25,532,027	$ 16,720,231	65.5%
Franchise Taxes		1,787,000	1,666,877	93.3%
Permits		1,386,000	1,130,585	81.6%
Alcohol and Other				
Building				
Electrical				
Plumbing				
Mechanical				
Revenue Sharing-County, State, Liquor		4,500,001	4,042,000	89.8%
State Liquor Apportionment		780,000	742,056	95.1%
Street Fund-Highway Monies		3,500,000	2,750,888	78.6%
Court Revenues		190,000	142,427	75.0%
Street Sweeping		-	-	
Contributions		1,000	1,899	189.9%
Grants		90,000	1,272,472	1413.9%
Misc		868,989	924,411	106.4%
E-911		450,000	414,754	92.2%
Recreation Fees		514,000	521,033	101.4%
Airport Revenues		1,229,061	889,147	72.3%
Investment Interest		445,031	336,652	75.6%
Fire District		567,733	283,867	50.0%
Transfers		3,690,054	5,208,490	141.1%
Surplus Reserves		872,495	-	0.0%
Revenue Totals	$	46,403,391	$ 37,047,789	79.8%

		Budgeted Exp	Actual Exp	
Personnel	$	29,851,671	$ 21,012,190	70.4%
M & O		8,517,558	5,977,890	70.2%
Capital		6,096,001	3,536,615	58.0%
Transfers		1,938,159	3,866,519	199.5%
Expenditure Totals	$	46,403,389	$ 34,393,214	74.1%

Excess/<Deficit>	$	2	$ 2,654,575	

City of Twin Falls
Wastewater Fund
June 30, 2022

9 of 12 months	75.0%

	Budgeted Rev	Actual Rev	% Received to Date
User Revenue			
Residential Users	$ 7,544,261	$ 5,554,635	73.6%
Industrial Users	2,141,780	2,450,745	114.4%
Municipal Users	148,144	123,586	83.4%
Turn-On, Tap, and Permit Fees	10,000	4,306	43.1%
Sewer Capacity Fees	-	143,645	
Penalties and Violations	100,000	455,191	455.2%
Investment Income	209,700	181,102	86.4%
Miscellaneous	3,000	133,458	4448.6%
Surplus Reserves	190,864		
Revenue Totals	$ 10,347,749	$ 9,046,668	87.4%

	Budgeted Exp	Actual Exp	
Personnel	$ 927,642	$ 602,046	64.9%
M & O	3,454,363	3,039,835	88.0%
Capital	1,473,240	1,185,133	80.4%
Debt Service	3,482,281	624,082	17.9%
Transfers	1,010,223	757,667	75.0%
Expenditure Totals	$ 10,347,749	$ 6,208,763	60.0%

Excess/<Deficit>	$ -	$ 2,837,905

City of Twin Falls
Water Fund
June 30, 2022

9 of 12 months	75.0%

	Budgeted Rev	Actual Rev	% Received to Date
User Revenue	$ 10,867,009	$ 6,654,599	61.2%
Federal Grants			
Turn-On, Tap, and Permit Fees	232,000	179,657	77.4%
Penalities and Voilations	40,000	39,280	98.2%
Irrigation Revenue	1,018,978	812,420	79.7%
Credit Card Processing Income	-	-	
Collected Bad Debts	20,000	21,100	105.5%
Investment Income	184,500	105,630	57.3%
Water Shares Lease Revenue	70,759	426	0.6%
Miscellaneous	46,400	49,791	107.3%
Transfers	675,699	506,774	75.0%
Surplus Reserves	-		
Revenue Totals	$ 13,155,345	$ 8,369,677	63.6%

	Budgeted Exp	Actual Exp	
Personnel	$ 2,788,774	$ 1,799,232	64.5%
M & O	2,895,300	1,628,483	56.2%
Capital	1,251,775	732,212	58.5%
Debt Service	1,217,750	67,266	5.5%
Transfers	1,404,342	1,053,257	75.0%
Expenditure Totals	$ 9,557,941	$ 5,280,450	55.2%

Excess/<Deficit>	$ 3,597,404	$ 3,089,227

Date:	Tuesday, July 5, 2022
To:	Mayor and City Council
From:	Travis Rothweiler, City Manager

Request
A presentation of the City Manager's Recommended Budget for FY 2020 followed by citizen input.

Time Estimate
The estimated amount of time this item will take is one hour plus time to answer questions.

Background
The City of Twin Falls is in south-central Idaho along the scenic Snake River canyon. With a population of approximately 53,213 residents, Twin Falls is the eighth largest city in Idaho and encompasses 18.16 square miles. It is located in Twin Falls County, which covers approximately 1,928 square miles of mostly irrigated agriculture land and has a total population of 92,243. Twin Falls is located 135 miles east of Boise and 218 miles north of Salt Lake City.

The State of Idaho defines city government as a municipal corporation. It is with that mindset this budget has been developed. We are pleased to present to you the recommended Budget for Fiscal Year 2022-2023 (FY2023). This budget represents hundreds of hours of thoughtful work by dozens of people in developing the spending plan for our organization for the coming fiscal year.

The proposed budget is presented for your consideration with the commitment and confidence that it effectively funds the varying needs of the community. It provides a strong financial plan, while ensuring a superior level of municipal services to our citizens. We are confident the projections and estimates are conservative, yet reasonable, and accurately reflect anticipated revenues and municipal needs. We look forward to working with you to achieve all the goals set forth in this proposed budget.

Underlying Twin Falls' success is a unifying commitment across the organization to exercise fiscal discipline, deliver services with maximum efficiency, and provide improved results to the entire community. Undoubtedly, we will be continually challenged to maintain a structurally balanced budget once it is achieved.

The proposed budget is balanced and in accordance with the state law and GFOA best practices. The combined proposed expenditures and transfers total $82,847,478, which is a $8,484,779 (11.41%) increase compared to the current year budget of $74,362,699. In the 2023 fiscal year budget, we are recommending Government Fund-Type expenditures, those funds that receive some of their funding from property tax revenues, increase by $2,904,895 (6.26%). Enterprise and Non-Tax Supported Fund-Type expenditures have increased by $5,579,885 (19.96%).

While the budget does not fund all capital initiatives and projects in the entire organization, it does meet the City Council priorities for service delivery. It recognizes that our local economy continues to experience unprecedented growth.

The budget has been formulated by reflecting on a philosophy of the following:

- Providing solid, efficient, high-quality, core governmental services
- Effectively allocating resources to meet citizen needs
- Ensuring affordability and long-term sustainability
- Pursuing opportunities to partner with other public providers
- Valuing our employees

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 8, 2021, the City Council will adopt the preliminary budget for FY 2022, with a public hearing and final adoption scheduled to occur on August 22, 2022 at 6:00 PM.

Connection to the City's 2030 Strategic Plan

Twin Falls is a vital, growing, and changing city. We have constructed processes and policies that help us in shaping growth and taking advantage of opportunities as they are presented. We continue to focus on the focus area contained in the City's 2030 Strategic Plan, just as we have for the past seven budget cycles. The current Strategic Plan was updated in March 2018 after an extensive open, citizen-driven process. The City's FY2020 budget allocates funds for needed projects and critical services collectively designed to help the City take the "next step" in realizing the community's 2030 vision of Twin Falls.

Issues Impacting the City's 2022-2023 Fiscal Year Budget

Labor Shortages

For the past several months, Idaho's economy is one of the top performing economies in the nation, leading nine states in growth after the pandemic recovery. The demand for talent, semi-skilled, skilled and professional talent remains as an all-time high. Unemployment rates remain at historic lows, at 2.5%, in May 2022 (23,605 unemployed out of a total civilian labor force of 943,390). Economists consider an economy to "fully employed" when the unemployment rate is between three and four percent (3-4%). The national unemployment rate was at 3.6% for May 2022.

However, the unemployment rate only tells part of the story. In an effort to meet the increased demand for goods, products and services, business across all sectors in Idaho are trying to grow. Growth requires an increase in human talent. In Idaho, including Twin Falls, there are not enough human capital to meet the needs. According to the Idaho Department of Labor, there are two open jobs for every unemployed Idahoan. Simply, if all of those who were unemployed in the state in May 2022 suddenly became employed (23,605), there would still be more than 27,000 position vacancies.

COVID-19 is partially responsible. Prior to the pandemic, baby boomers, the largest generation, were beginning to retire in higher numbers. During the pandemic, baby boomer retirements accelerated. Some reports say that the baby boomer retirements just moved us ahead five years from where we would otherwise would have been.

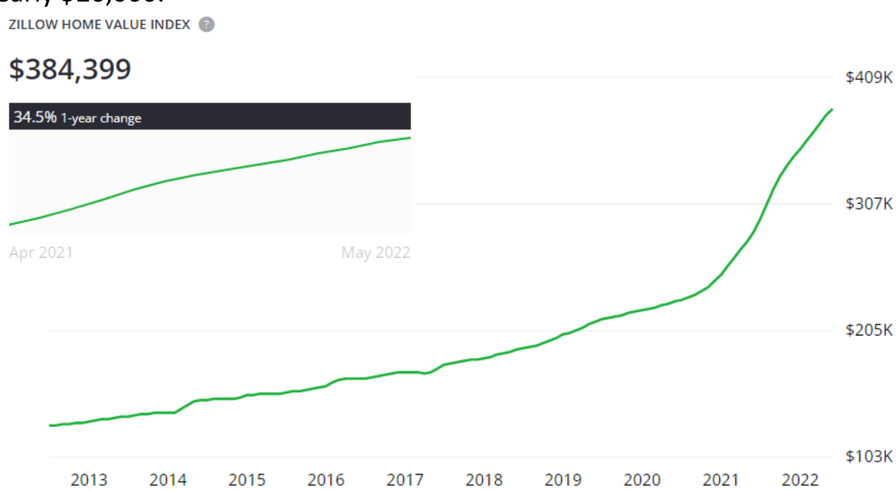
For the past year, the City of Twin Falls has maintained an average employee vacancy rate (unfilled but funded positions) between 22 and 28 positions. Like what has been experienced by many employers, the City has seen several key employees elect to retire from public service. Filling these positions has been and remains a challenge.

Housing Costs

For almost the past two years, housing prices in Twin Falls continue to rise rapidly, steadily outpacing income levels, which has impacted housing affordability. Idaho continues to lead the nation in population growth. For the last few years, Idaho's population increases, by percentage, have been among the largest in the country. Population increases, low housing inventories, significant material increases, and labor shortage are all contributors to the problem. Large increases in the price of homes can equate to an increase in property taxes for Idahoan due to the means by which property taxes are assessed.

Each year your county assessor's office must estimate how much a typical buyer would pay for your property as of January 1. It's assessed at 100% of market value, less any exemptions. Generally, assessors use sales prices from properties in the county to develop guidelines. They also consider features that could influence what a buyer would pay for the property. These features include size, location, quality of construction, age, and condition.

In January 2021, the value of a median home in Twin Falls grew to an estimated $257,000, which represented a 15.25% increase over the prior year. In January 2022, the median home value increase to an estimated $358,000 and equated to an estimated $101,000 (January 2021 compared to January 2022) and an increase of 28.21% Since January of this year, the median home has increased to $384,399, an increase of nearly $26,000.



The following table illustrated the median home value in Twin Falls, Idaho and the nation.

	Twin Falls	Idaho	National
Median home value	$384,399	$472,979	$349,816
Increase in value of the prior 12 months	24.7%	27.8%	13.2%
Project increase in value over the next 12 months	uncertain	uncertain	14.90%

This is the first time the median home price in Twin Falls has exceeded the national median value. In May 2021, a home in Twin Falls was an estimated $4,000 less than the national median home value. In May 2022, the median home is nearly $35,000 more than the national median value. Housing in Twin Falls in approaching unaffordable and unobtainable for many of our residents.

In addition, Salary Expert powered by ERI updates the cost-of-living index for urban areas and each of the fifty states, assigning each area a value as a percent of the average of all sampled. This index bundles a variety of goods and service costs, like food, transportation, housing, and health. For years, Twin Falls has consistently ranked well below the national average. That trend appears to have ended. The following table illustrates the cost of living in Twin Falls, Idaho Falls and Boise compared to national and state averages.

	Twin Falls	Idaho Falls	Boise
Compared to National Average	+1%	-0%	+20%
Compared to Idaho Average	-3%	-4%	+15%
Rank Among Idaho Cities	28th	29th	11th

Fire Stations and Fire Training Center Construction

In the fall of 2017, a planning effort was undertaken to determine the current state of fire facilities in the City and the future needs of the community. A steering committee and program committee worked together to document the existing conditions of each facility. Station 2 and 3 were built in 1961 and 1979 respectively. They have outdated technology and living standards and are experiencing decay such as mold and leaky roofs. There are no facilities for female firefighters at either station, the apparatus bays are too small, and the stations have apparatus sitting outside—a situation that hinders response capability. The facilities do not meet current building, ADA, essential facility, and life safety code requirements. Further, the existing stations have inefficient floor plan layouts and do not support quick 'turn-out' times. Response times will be improved with a more efficient floor plans and station locations, which will increase public health and safety. In addition, the station lacks a designated area for dirty equipment—a modern necessity that allows for gear to be properly cleaned and limits exposure to carcinogens and other potential health hazards. In total, existing Station 2 and existing Station 3 are inadequate to serve the needs of the TFFD and lack the form to fit the function for today's firefighting needs. The deficiencies of the current stations together with recent population and industry growth requires new facilities to maintain public health and safety.

The City sought a general obligation bond to finance the construction of three new fire stations, renovation of Station 1 for police operations, and an initial investment in a fire training center in May 2019. The total request from voters was $36 million and narrowly failed to reach the super majority (66.6%) threshold required to pass—garnering the approval of 64% of voters. As a result, the City is pursuing other financing options to address the needs of the TFFD, including the use of general fund reserves and impact fees as well as the issuance of Certificates of Participation to finance the construction of two new fire stations. The construction also includes a regional fire training center, which is being paid for by the Twin Falls Rural Fire Protection District. The construction of these projects has proven challenging given the unpredictable economy, supply chain issues and labor shortages. However, the need to replace these stations continues to be greater than the challenges in completing the projects.

The new stations will feature, among other things, drive-through double deep apparatus bays, a gear bunker, a decontamination space, general and EMS storage, a workshop, laundry facilities, individual restrooms that will allow for use by both men and women, a dayroom, a fitness center, and kitchen and dining facilities. Also provided will be firefighter sleep rooms, a battalion chief sleep room and office (station 2) and captain office. The public will have access to the stations through a public lobby area.

Continued Investment in Public Safety
As the community grows, the need for continued investment in public safety is important. Since the adoption of the FY 2022 budget, multiple investments have been made to ensure the citizens of Twin Falls receive the highest level of service we are able to deliver. A request for funds to hire four new patrol officers through the Department of Justice's COPS program was approved in October 2021. The grant for $500,000 will offset the cost of these officers over the next three years. City Council authorized the purchase of a replacement fire engine in the amount of $771,120.75 through a lease-purchase agreement. This engine will replace a 14-year old pumper fire truck that has served the organization as a front-line fire engine dispatched to all calls for service. During a routine maintenance test, excess wear in the internal components of the engine was discovered that would eventually result in catastrophic engine failure. As a result, engine #5111 was immediately taken out of service and the decision was made to purchase an "off-the-shelf" model that allowed for delivery 6-8 months earlier than a custom specified engine. Delivery is anticipated in July 2022.

Additionally, new digital radios were purchased for fire and police using $281,584 in CARES funds. These new radios replaced outdated radios that were no longer serviceable and often failed in the field. All public safety will be operating with the same radios which will improve communications as well as increase safety for our employees as their serve the public. The new technology provides clearer audio with increased background noise suppression, are more efficient in roaming between radio towers, which effectively increases functional coverage. In addition, the radio transmits user identities to dispatch for each radio transmission. In the event of an emergency dispatch will be able to tell which user is in need.

Exploring the Creation of a New Revenue Allocation Area
The City of Twin Falls has five active revenue allocation areas (RAA). The total value of these areas is $848,633,484. In Fiscal Year 2023-2024, the City of Twin Falls will close out RAA 4-1.This RAA is the oldest revenue allocation areas currently operating in the City of Twin Falls and has a total taxable value of $315,126,657 and is in the City's Downtown core.

In an effort to capitalize on the economic expansion and momentum occurring in RAA 4-1, the Twin Falls Urban Renewal Agency Board has spent time in visioning and planning workshops. They look to continue to promote economic development, eliminating community blight, and seeking opportunities to make meaningful improvements to the Downtown and Historical Warehouse Districts.

The Board's vision for the new area included additional downtown housing, hotels, a convention center, continued small development on Main Avenue, commercial and light industrial development (assembly) in the Historical Warehouse District. Several public infrastructure improvements were discussed, including funding to assist with the relocating and traffic calming on the 2nd Avenues (US Highway 30), water and sewer lines, complete street improvements, fiber optics, power and gas upgrades, parking lots/structures were just some of the public improvements that were recommended for the area. etc. were also included.

When RAA 4-1 sunsets, the value of RAA 4-1 will be returned to each of the taxing districts having jurisdiction in this area, including Twin Falls County, the Twin Falls School District, the College of Southern Idaho, the Twin Falls Highway District, and the City of Twin Falls. Per Idaho Code, each of these entities will be able to claim 80% of the taxable value of this area as "new construction". The property tax revenue will be different for each of the entities. The estimated increase in new property tax revenue to the City of Twin Falls in FY 2023-2024 ranges between $1.2 million and $1.4 million.

Implementation of Priority Based Budgeting and Performance Measurement

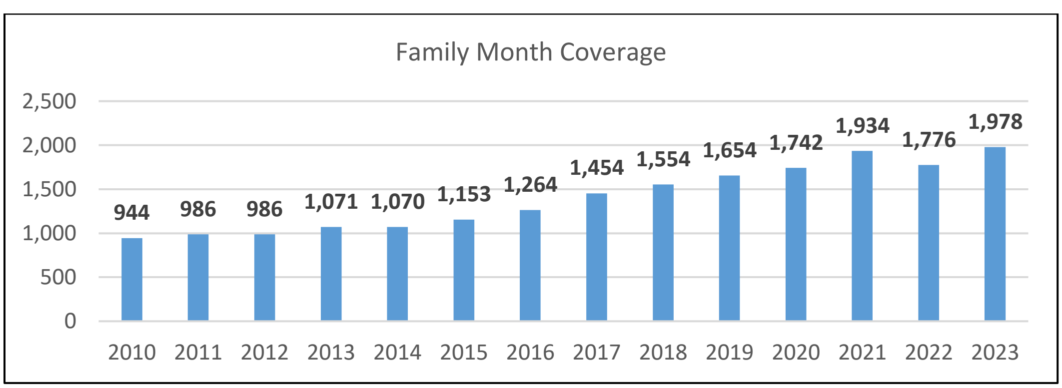
Th City of Twin Falls is a lean and innovative organization that is efficient in the delivery of services and our employees take pride in their work as public servants. Changes in service demands, overburdened employees and limited resources are factors that can lead to frustration within the organization. Priority Based Budgeting is intended to provide our organization with a framework that will help us tell our story, align needs with resources, and highlight areas where changes can be made with maximum impact. It will allow each department to examine programs and services through the lens of pre-established metrics such as outside revenue sources, mandates from other governmental entities, and the degree to which programs impact the citizens in our community. The goal is not to eliminate programs simply as a cost saving measure, but to evaluate service demands and need against available resources and ability to provide services. Through this process, departments will begin looking at their budgets as programs instead of line items, and in doing so, will begin to build a robust performance measurement program with the data generated.

State and Local Fiscal Recovery Funds (SLFRF) Allocation

In response to the Covid-19 public health emergency, the Federal Government provided governments across the country with resources to fight the pandemic and support families and businesses struggling with its public health and economic impacts, maintain vital public services and build a strong recovery by making investments that support long-term growth and opportunity. The City of Twin Falls was allocated $8,465,111 that was paid in two tranches – the first in June of 2021 and the second in June of 2022. In April of 2021, the Treasury released the Final Rule for the program that allowed for a standard allowance for revenue loss up to $10 million for the entire period of performance from March 3, 2021 and ending December 31, 2024. The City of Twin Falls intends on using the Standard Allowance for reporting purposes but is in the process of organizing a committee to allocate the funds to projects that will significantly affect our community.

Health Insurance and Compensation

Providing quality benefits to our employees remains an important ingredient in our overall attraction and retention strategy. As we have stated for the past five years, health insurance continues to be a difficult subject to navigate in our budgeting efforts. Members of the City's executive leadership team recognize the importance of continuing to offer competitive benefits packages and is a critical component in our efforts to be an employer of choice. However, the cost of our health plan continues to outpace the Consumer Price Index, the Municipal Cost Index, and available resources. Because members of our employee family have dealt with serious and costly health challenges, our overall experience rate (our group's medical history and claims experience) have caused our organization to realize significant increases in the overall health insurance costs. The cost of our insurance monthly premium to cover an employee and his/her family has almost doubled in the last ten years. The table below shows the changes to our monthly health insurance premiums since 2005.



Significant changes were made to both the traditional and high deductible plans in FY 2020 in response to a proposed increase of 14%. Small adjustments were made in FY 2021 in response to a 10% increase. With another 9.4% in FY 2022 the decision was made to eliminate the traditional health insurance plan and move all employees and dependents to the high deductible plan. This allowed for modest increases to co-pays, deductibles, and out of pocket maximums.

The insurance quote for renewal included an increase of 11.4% in premiums. It is important to maintain a competitive benefit plan in comparison to other public employers. Our health care benefit remains competitive, but we are concerned about the impact of rising health care coverage on employees. To mitigate this impact, we have committed to keeping the employee portion of premium increase static. To do this we will absorb the 11.4% increase of employee portion at a cost to the organization of $52,000.

<u>Economic Indicators Considered in the Recommended Budget</u>

The City of Twin Falls closely monitors and examines international, national, state, and local economic indicators when developing and tracking its annual appropriation measures. Over the course of the last several years, economic conditions on all levels have reflected growth and prosperity, but the effects of the Covid-19 pandemic created a swift and destabilizing level of economic uncertainty not seen since the Great Depression. When analyzing the statistics of the City of Twin Falls and as a nation, comparatively, there is an expected prosperity that is simultaneous with caution, creating an uncertainty that will influence budgetary decisions for the foreseeable future.

National

- U.S. house prices rose 18.7% from the first quarter of 2021 to the first quarter of 2022 according to the Federal Housing Finance Agency (FHFA) House Price Index (HPI). House prices rose 4.6% from the fourth quarter of 2021. The impact of COVID-19 has strongly impacted the housing market and the United States is seeing unsurpassed housing prices and demand for homes that continues to escalate month after month. The Federal Reserve has just recently started increasing interest rates in an attempt to curb inflation and the housing crisis that we are continuing to experience since the beginning of the pandemic. As cited in the FHFA HPI, "House prices continued to climb but not as rapidly during the final quarter of 2021 as in earlier quarters. . . Housing trends over the past year have created challenges. The quick house price gains may be counterbalanced as mortgage rates increase. However, more expensive housing has elevated affordability to become a broader concern as available supply remains limited."
- A tightening of financial conditions by the Fed might dampen inflation, but also risks weighing on growth and the housing market. Russia's war against Ukraine and China's zero-Covid policy have added to supply-chain disruptions, further stoking inflation. Oil prices remain above $100 a barrel, adding to the cost of energy and fuel. Futures for Brent crude, the global oil benchmark, edged up 1.8% to $119.72 a barrel.
- Nationwide unemployment rates increased significantly at the beginning of the pandemic in 2020, but have continued a gradual decrease throughout 2021, ending at 3.6% in May 2022. The end of 2019 saw unemployment levels hovering around 3.5% before the pandemic, but before this the United States hadn't experienced unemployment this low since 1969. The US economy has added jobs each month since the beginning of 2021, with the US labor market having recovered more than 96% of all jobs lost during the early stages of the COVID outbreak.
- Since the start of the COVID-19 pandemic, consumer confidence fell drastically, then started a rebound that ultimately fell significantly as labor and supply shortages hit our nation. The University of Michigan compiles a consumer sentiment rating, in which the rating for May 2022 was 58.4, the lowest since August 2011. Consumers continue to have negative views on current buying conditions for houses and durables, as well as the future outlook for the economy, primarily due to concerns over inflation. Consumers are less optimistic due to rising inflation

expectations that seem to be eroding their purchasing power, as witnessed by the decline in their plans to buy cars, homes, and major appliances.

State of Idaho

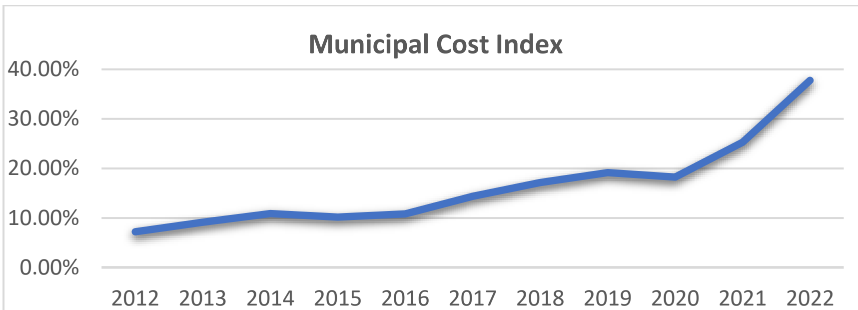
- Home prices rose in all 50 states and the District of Columbia between the first quarter of 2021 and 2022. Idaho realized the 5th highest level of annual appreciation in the nation at 25.5%.
- Home prices rose in all the top 100 largest metropolitan areas in the U.S over the last four quarters.
- The median home value for 2022 in Idaho is $466,435, an increase of 19.8% over the past year. The median list price per square foot in Idaho is $241.
- The average home price in the United States was $374,900 as of the second quarter of 2021; a 16.2% increase from a year ago when the median was $322,600. The typical home price in Idaho was $403,291, which is 137% of the typical US price. Idaho incomes don't balance that out, as they're 7% less than the national median.
- Statewide unemployment was 2.6% in April 2022. Year over year, April's labor market changes are dramatic, and the low unemployment rate is indicative of the struggles the state of Idaho is having employing workers and economically recovering from the pandemic and its rippling effects.
- Non-farm employment, which is one of the key metrics of the state's economic health, has continued to experience increases, even after the 13.1% increase from April of 2021. In April 2022, Idaho's nonfarm jobs were up 3.2% (25,200) over last year.
- Today, Idaho's total percent unemployed is at an all-time low of 2.6%. April's rate marks the third consecutive month of historic lows since record keeping began in 1976.
- Per capita personal income (PCPI) continues to grow at a slow pace. PCPI in Idaho grew by 5.7% from 2020 to 2021. At $51,379, Idaho is ranked 43rd in the United States and was 80.9% of the national average of $63,492. Idaho was 1st in the nation for real personal income growth, which takes into account the cost of living, measured by regional price parity (the average price paid by consumers for the mix of goods and services in each region). Idaho's real personal income growth was 9.6% for 2020-2021 and was largely attributed to earnings in construction and retail trade.
- The April 2022 revenue projections for the State of Idaho were up significantly from what was anticipated, and four of the five categories of revenue exceeded the forecast, with the total overage of $574.1 million driven primarily by income tax collections. Sales taxes contributed to the overage with an additional $20.1 million, while distributions attributable to online sales are $36 million more than last year. To put this in perspective, General Fund collections totaled $5 billion last fiscal year and with two months remaining in the fiscal year, the current collections are $5.136 billion.

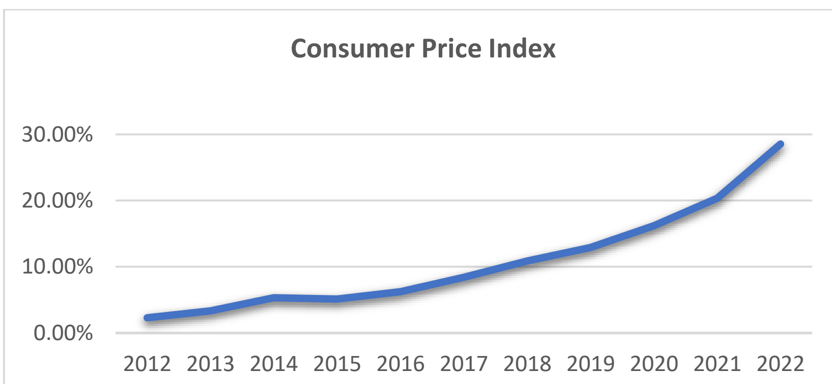
City of Twin Falls

- According to the Idaho Department of Labor's Workforce Trends report, Twin Falls had a preliminary unemployment rate of 2.6% in April 2022. This equals the State of Idaho unemployment rate of 2.6% and a national unemployment rate of 3.6%. The US economy has added jobs each month since the beginning of 2021, with the US labor market having recovered more than 96% of all jobs lost during the early stages of the Covid outbreak.
- Construction activity for Twin Falls has decreased significantly in terms of single-family building permits issued. There were 122 single family permits issued through May 2022; this is down 69% for the same timeframe in 2021. Supply chain and labor shortages are affecting the City of Twin Falls drastically, and building is one of many sectors being stalled.
- There were 30 new commercial building permits issued in FY2021, down 39% for the same timeframe last year.

Municipal Cost Index

- The economy has been growing on many fronts, the cost of offering public services and programs has also increased. The Municipal Cost Index (MCI) is designed to show the effects of inflation on the cost of providing municipal services.
- State and local government officials rely on American City & County's Municipal Cost Index to stay on top of price trends, help control price increases for commodities, make informed government contract decisions and intelligent budget planning. The MCI draws on the monthly statistical data collected by the U.S. Departments of Commerce and Labor as well as independently compiled data to project a composite cost picture. From April 2021 to April 2022, the most recent data available, the MCI increased 33.62 points or 12.51% to 302.31. The graph below shows the increase in the MCI since 2012.
- The Consumer Price Index (CPI) is designed to show the effects of inflation on typical household goods and services. The Consumer Price Index increased 2.2 in February, 3.5 in March, and .9 in April 2022 for a final 288.66. The graph below shows the increase in the CPI since 2012.

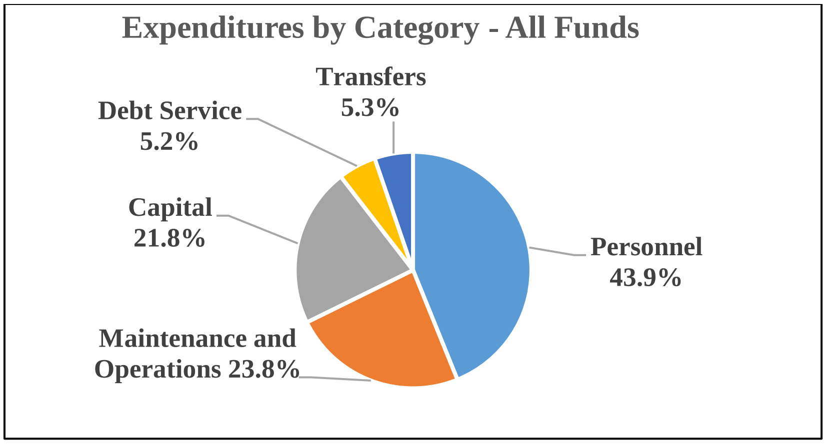




<u>2022-2023 Fiscal Year Budget Summary</u>

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 2023 is $78,489,514, or $9,024,574 (13%) larger than the $69,464,941 total 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.

Expenditures in this budget are classified under one of five major categories: Personnel, Maintenance and Operations, Capital, Debt Service and Transfers. The graph below shows the relative percentage of FY 2023 budget expenditures for the five major categories in all funds combined.



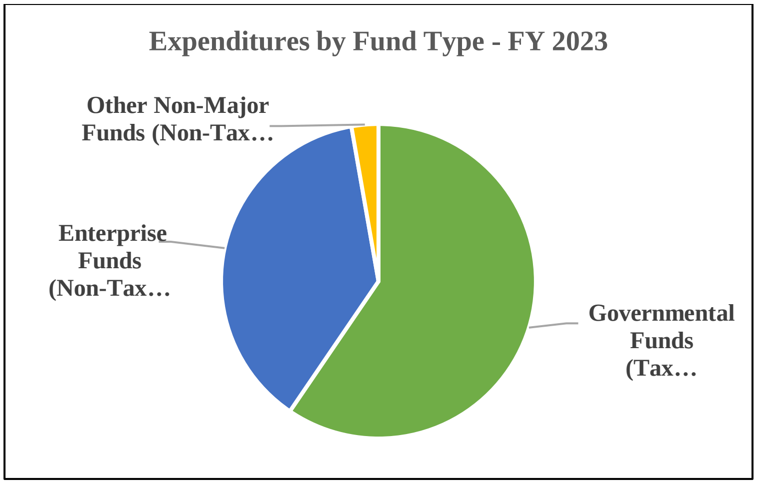
In most government agencies, personnel costs (salaries, wages and benefits) normally represent the largest of the expenditure categories. While municipal governments also devote a large amount of their resources to personnel, the significant investment in infrastructure drives the percentage of the budget devoted to operating and capital costs higher than most other government agencies.

Fiscal Year 2022-2023 Expenditures

The most commonly recognized government activities are conducted through **Tax Supported or Governmental Funds**. The Tax Supported or Governmental Fund umbrella includes the following funds: General, Street, Street Light, Airport, Library, Capital Improvement, Pool, Insurance, and Fireworks. Revenues in these funds are derived primarily from property taxes, licenses and permits, intergovernmental grants, shared revenues from the state of Idaho (sales tax, gas tax, etc.), and federal entitlements.

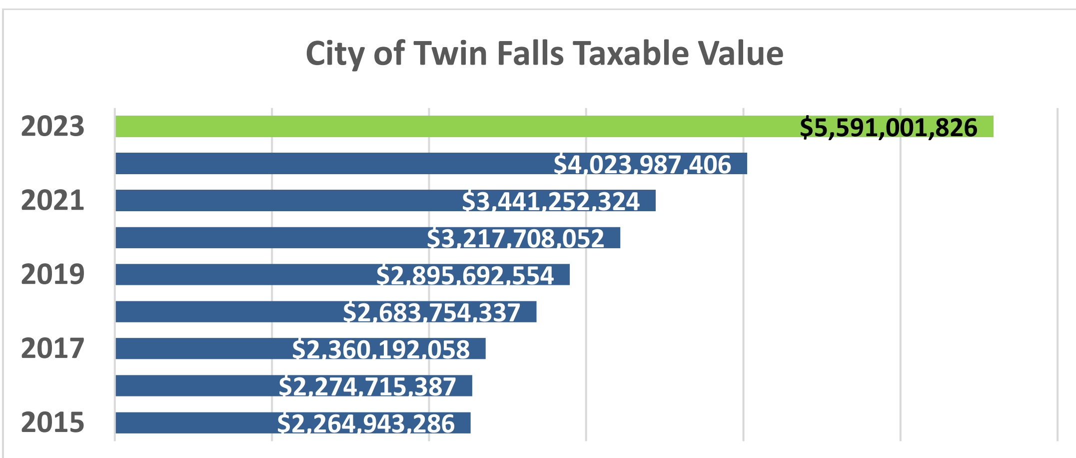
Enterprise Funds account for services financed through the assessment of user fees. The main goal or purpose of these business-like funds is to provide services to customers at a price that will cover both the current cost of operations and the purchase and maintenance of necessary capital assets. The City has five separate and distinct Enterprise Funds, which include the City's Water (supply, distribution, irrigation and utility services), Wastewater (collection and treatment), Sanitation, Dierkes/Shoshone Falls, and Common Area Maintenance Funds.

Other Non-Major Funds account for capital project, internal service, and miscellaneous funds. Included are the Impact Fee, Historic Preservation, Airport Construction, Shop, Seizures & Restitution, and CDBG Funds.



Total Assessed Valuation

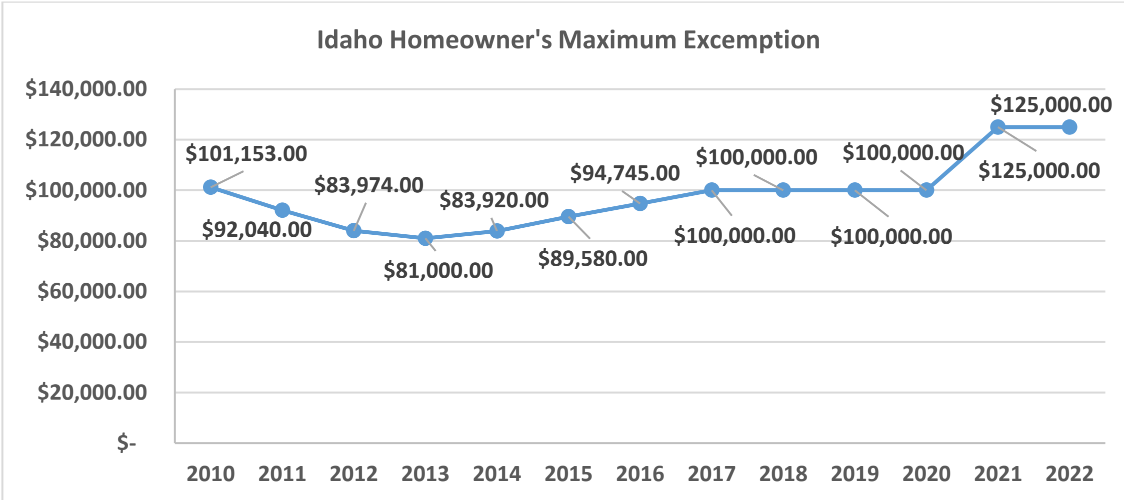
According to the Twin Falls County Assessor's Office, from FY 2022 to FY 2023, the City of Twin Falls' total taxable valuation increased by $1,567,014,420, or 38.94%, from $4,023,987,406 to $5,591,001,826, of which $115,958,347 is the from the net new construction roll (90% of the total valuation of $128,842,608). New construction activity will result in $543,444 in new revenue. The total increase in valuation is in addition to the $582,735,082 that was realized in the prior fiscal year. Over the course of the past two fiscal years, the City's total taxable valuation has increased by $2,149,749,502 or 62.47%. This year's increase in taxable value is equivalent to the cumulative increase that occurred between from 2018 to 2022. As illustrated below, the taxable value used to calculate the FY 2023 tax rate for the City of Twin Falls is the largest in its history.



It is important to note the City's taxable value excludes the taxable value of the properties located in the Twin Falls Urban Renewal Agency revenue allocation areas. The entirety of the URA properties are in the City and have a value of in excess of $848.6 million. Collectively, the taxable values for both the City of Twin Falls and Twin Falls Urban Renewal Agency exceed $6.4 billion. There are many factors that influence the City's total taxable value. Some of the larger factors include an increase in the base value from reappraisals performed by the Twin Falls County Assessor's Office, growth from new construction, and property incorporated into the City through annexation.

From 2006 to 2016 (FY 2007 to FY 2017), the maximum homeowner's exemption was indexed and adjusted annually to reflect statewide real property market trends. During the 2016 session, the Idaho

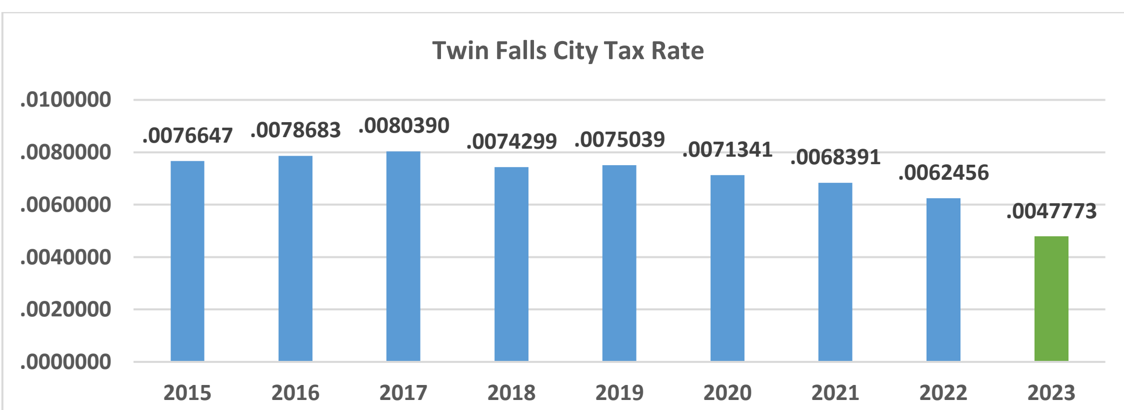
Legislature increased the exemption to a fixed $100,000 for 2017 (FY 2018). The fixed rate has remained in place until the 2021 legislature amended the amount to $125,000. While an increase in the homeowner's exemption will help provide some property tax relief, given the rapidly increasing values of homes throughout the state, true relief will not occur until the legislature restores indexing.



Cities in Idaho have control over their annual expenditures in all funds, as well as the rates they assess in the enterprise funds. Statutorily under Idaho Code, cities and counties are permitted to collect 3% more property tax revenue than the previous fiscal year.

Cities in Idaho do not have control of and cannot determine their community taxable value. That responsibility is assigned to the County Assessor's Office. Based on the taxable value presented above, the City's tax rate for FY 2023 will be $4.78/$1,000 (.00477733) of taxable value, which is the lowest issued by the City.

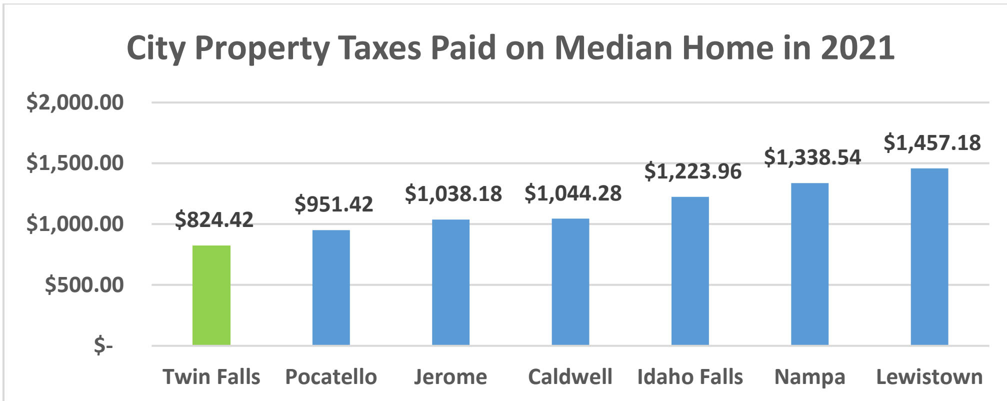
Over the last ten fiscal years, the City's tax rate has fluctuated significantly, ranging from a high of $8.04/$1,000 (FY 2017) of taxable value to a low of $6.25/$1,000 (FY 2022) of taxable value. The average of the tax rate assessed over the course of the last seven fiscal years (2016-2022) is $7.29/$1,000 of taxable value. <u>It is important to recognize the tax rate does not necessarily indicate an individual's tax burdens.</u> The tax rate is simply a multiplier used to determine a property owner's proportionate share of property tax liability. It is a fraction of a local government's total property tax collections divided by the total taxable value of that local government unit.



Additional property tax collections and comparisons, rate adjustments, expenditures and economic indexes are discussed in more detail in other sections of this budget document.

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 an approximate answer to that question. Although only intended to be a rough illustration, the table and graph represent the amount of property tax paid on a median-valued, owner occupied home in each of the larger, full-service cities in Idaho. The information used in the table was collected from the Associated Taxpayers of Idaho’s 2021 Levy Book (tax rate) and Zillow. *Note: Idaho’s median value of an owner-occupied home for this same period of time was $350,000*.



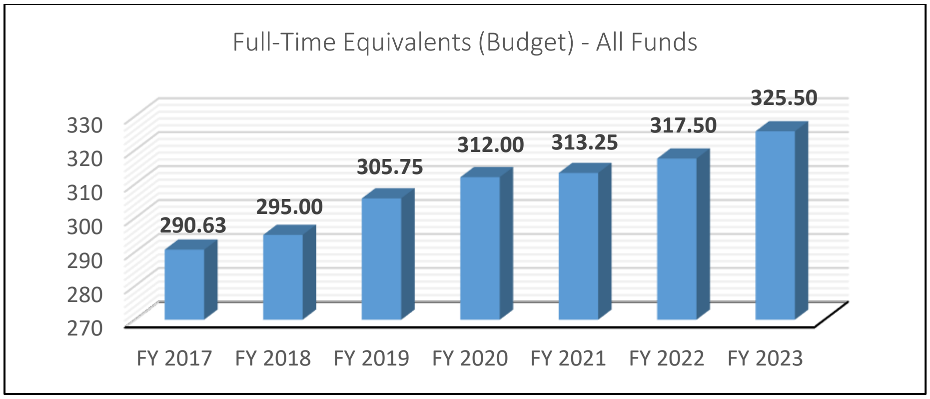
The cities of Boise and Meridian were intentionally excluded because they are not directly responsible for the transportation systems in their communities; that responsibility lies primarily with the Ada County Highway District (ACHD). ACHD is an independent taxing authority specifically created for the purpose of maintaining the transportation system in these communities. For FY 2023, the Street Fund budget for the City of Twin Falls is $6,322,134, or approximately 12.82% of the total for tax supported funds.

Personnel

Focus area 8 of the City’s 2030 Strategic Plan states, *“The City of Twin Falls strives to carry out its mission with unquestioned integrity, and the highest ethical standards…In support of the desired effectiveness, the elected leadership works in close partnership with appointed professionals carrying out clear policy directives. A high level of competency is provided from a lean, properly compensated and respected core staff.”*

The City of Twin Falls FY 2022 budget included a total of 317.5 full-time professionals working to deliver services to the citizens of Twin Falls. The FY 2023 budget recognizes several employee additions, reductions, and adjustments. New FTEs include:

- A Deputy Prosecuting Attorney
- An Engineering Traffic Technician
- A Water Operator position
- A Deputy Fire Chief position
- A Planning & Zoning Technician *(CDBG, previously approved)*
- Four Police Officers *(COPS Grant, previously approved)*



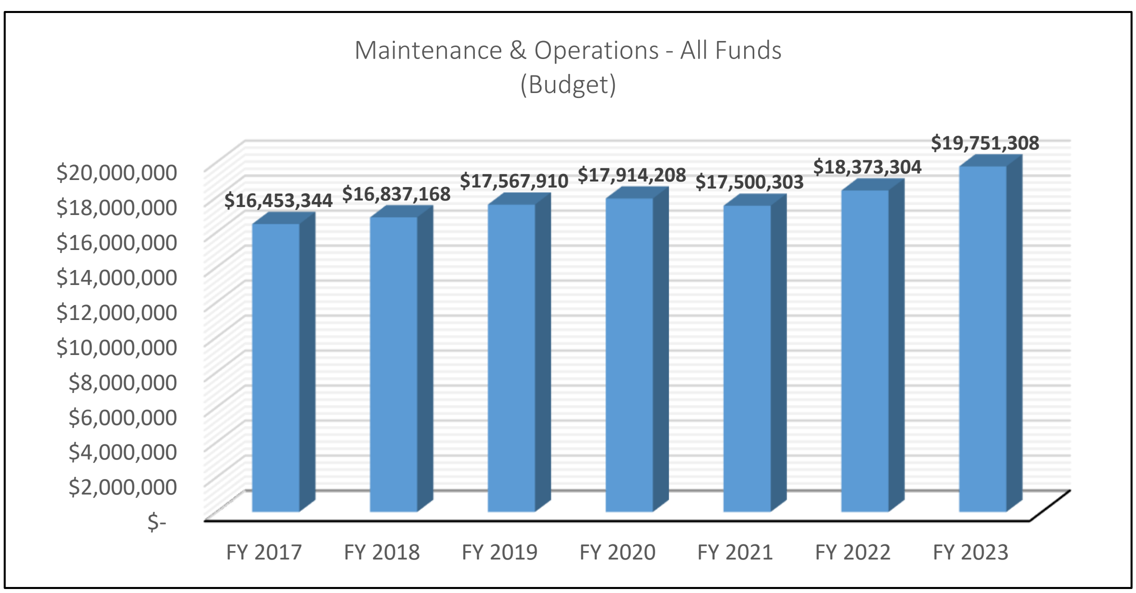
Our employees are our most important resource. Without the service of our employees, we cannot accomplish any of our strategic planning goals and caring for our employees continues to be a guiding principle in the creation of our budget. The FY 2023 budget includes funding for the following changes in compensation: 5% performance adjustment, 2% table adjustment, one-time payment of $2,000, and continuation of our retention pay program

As an organization, we have made significant strides toward improving our competitive place in the labor market over the last several years. Our salary tables have increased by 40% since 2011, and we continue to offer our retention pay program that began in December 2018. Compensation is a key component in being an employer of choice, and we feel that these continued adjustments help us maintain that designation. We also believe that there is room to improve the competitiveness of our salaries for specific positions and create challenging opportunities for employees to develop new skills. We will continue to push salaries forward in the coming fiscal years as the economy recovers.

Maintenance & Operational Costs

This category includes funding for a wide range of typical activities, including office supplies, fuels, electricity, travel, training, uniforms, building/equipment repair and maintenance, and expenditures for durable goods. The City makes allocations in these areas that are based on actual expenditures from previous fiscal years, economic trends, and the municipal cost index.

The FY 2023 budget allocates $19,751,308 to cover expenses associated with maintenance and operations. In comparison, the allocation for FY 2022 was $18,373,304. This is an increase of $1,378,004 (7.5%) across all funds. CDBG amounts budgeted under M&O lines in FY 2020 and FY 2021 are not included in the totals.



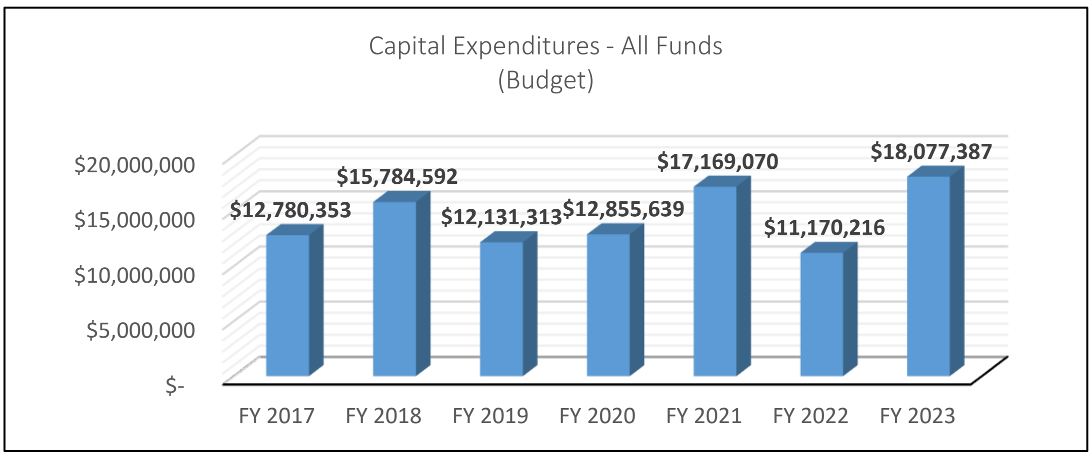
Capital Improvements

Capital improvements are investments made in our infrastructure. Six of the eight primary focus areas in the City of Twin Falls 2030 Strategic Plan are considered “capital dependent.” Capital financing is necessary for the ongoing development, expansion, maintenance, and repair of these capital assets, recognizing the critical value of civil infrastructure to the economic, aesthetic, and functional viability of the City.

The City of Twin Falls owns and maintains a diverse collection of assets and facilities, which include:

- 103 buildings and structures throughout Twin Falls, ranging from the Magic Valley Regional Airport to administrative buildings; from police and fire stations to water delivery and treatment structures;
- 1,476 acres of open spaces and developed park lands, including world-class amenities such as Auger Falls, Shoshone Falls and Dierkes Lake;
- 640 lane miles to maintain.

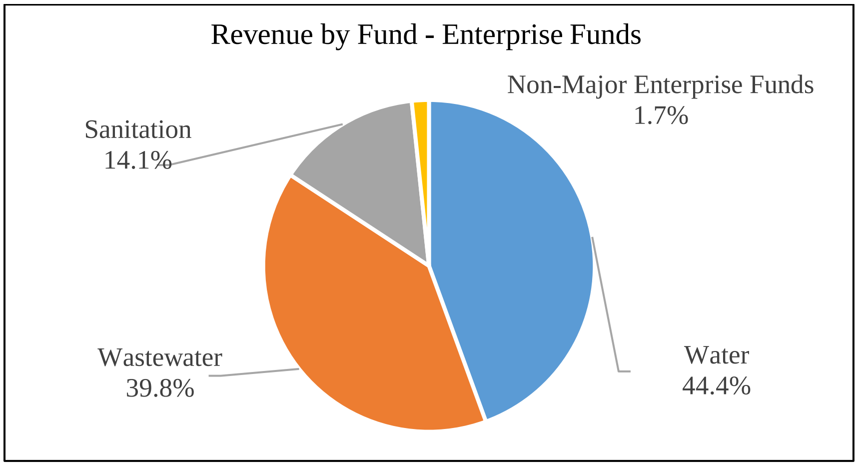
In total, the FY 2023 budget allocates $18,077,387 to fund needed, critical, and desired capital improvements, one-time equipment purchases and projects, and community amenities. Compared to the FY 2022 budget of $11,170,216, this is an increase of $6,907,171, or 61.84%. The increase is primarily due to total capital projects in the Water Fund increasing by $5,419,975.



As illustrated in the graph above, the City of Twin Falls has budgeted $99,968,570 for capital expenditures since 2017. In addition (not included in graph), since 2012, $57,466,359 has been spent on Wastewater Treatment Plant Improvements ($45,570,000), City Hall ($7,732,252), and the Public Safety Complex ($4,164,107).

<u>Major Enterprise Fund Revenues</u>

Enterprise and Other Major and Non-Major Non-Tax Supported Fund expenditures total $31,243,872 (increase of $3,882,727, or 14.19%), which includes $2,444,000 for capital projects funded with cash reserves.



Water Fund

The budget for capital in the Water Fund is $6,671,750, which is $5,419,975 (432.98%) more than the FY 2022 total of $1,251,775. The allocation is derived from anticipated revenue and reserves totaling $15,145,494, or an increase of $1,990,149 (15.13%) compared to FY 2022 funding of 13,155,345.

When debt related to arsenic compliance was paid off in September 2021, FY 21-22 water user rates were increased to provide funding for future capital projects. Some of the additional revenue was not budgeted for use in FY 21-22 but has been included for FY 22-23 capital projects. In addition, approximately $1.8 million of reserves is being used to fund capital projects.

The City will have one bond issuance in the water fund remaining after the 2022 payments are made: the 2012C Bond has one principal payment left of $355k that will be made in FY 2022 and the 2017A Bond will have $1.57M outstanding in FY 2023, with annual payments around $825k until 2024. Budgeted revenue and reserves in the Water Fund total $15,145,494. This is an increase of $1,990,149 (15.13%) compared to the FY 2022 total of $13,155,345.

Wastewater Fund

The Wastewater Fund is used to support all wastewater services provided by the City of Twin Falls, namely wastewater collection and wastewater treatment. FY 2023 wastewater user rates remain the same as they were in FY 2021 and FY 2022. Budgeted revenues and reserves in the Wastewater Fund total $11,683,289, which compared to the FY 2022 total of $10,347,749 is an increase of $1,335,540 (12.91%).

Sanitation Fund

The City's Sanitation Fund supports the City's sanitation and recycling programs. FY 2023 sanitation user rates will remain the same as they were in FY 2022. Budgeted revenue in the Sanitation Fund totals $4,134,290, which compared to the FY 2022 total of $3,781,162 is an increase of $353,128 (9.34%).

Cash Reserves/Fund Balances

A measure of a city's financial strength is the level of its fund balance. By policy, the City of Twin Falls retains three months of reserves for operations in each of the tax supported funds, and two months of reserves for operations in the enterprise-type funds. This policy exceeds the Government Finance Officers Association recommendation on fund balance and reserves. It "…recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures." Our conservative fiscal policy of a three-month reserve requirement allows the City to reliably supply public goods and services.

At the end of FY 2021, the City of Twin Falls had an audited Fund Balance/Net Position of $81,874,543 (Net of Investment in Capital Assets). The total was $45,368,922 for Governmental Funds, $35,875,999 for Enterprise Funds, and $629,622 for Internal Service Funds. For purposes of the budget, we will focus on the larger operating funds of the City, which are illustrated in the table below.

	Fund Balance	Restricted for Budget	Available Balance
General Fund	$11,926,646	$8,317,262	$3,609,384
Street Fund	$6,045,001	$1,262,137	$4,782,864
Airport Fund	$4,068,985	$565,625	$3,503,360
Capital Improvement Fund	$13,783,315	$2,212,345	$11,570,970
Water Fund	$12,032,028	$1,291,415	$10,740,613
Wastewater Fund	$21,362,837	$1,334,219	$20,028,618
Sanitation Fund	$872,482	$625,175	$247,307

At the conclusion of FY 2023, the City is projected to exceed the minimum reserve requirements in all its major Government-Type and Enterprise-Type Funds. The reserve funds earn interest, bolster cash flow, and are available for unanticipated expenditures or emergencies. As a non-recurring revenue source, beginning fund balances are used to fund capital or other one-time expenses only.

Discussion on the City's Forgone Balance

Section 63-802 (e) of the Idaho Code states, "...In the case of a non-school district for which less than the maximum allowable increase in the dollar amount of property taxes is certified for annual budget purposes in any one (1) year, such a district may, in any following year, recover the forgone increase by certifying, in addition to any increase otherwise allowed, an amount not to exceed one hundred percent (100%) of the increase originally forgone." Each year the City has elected not to take the statutory maximum increase has impacted the amount of revenue available in the following fiscal year.

With the passage of House Bill 389 during the 2021legislative session, changes were made to the laws governing the use of Idaho cities forgone balance. As a result, cities can now recover forgone balance two ways. First, cities can collect foregone balance in an amount equal to one percent (1%) of tax collections and may be used to support continued operations (*Idaho Code 63-802(e)(ii)*). Once collected, the revenue can remain in the City's budget without limitations. Second, cities can collect in an amount equal to three percent (3%) of tax collections for a specific, one-time capital project(s) (*Idaho Code 63-802(e)(iii)*). Funds collected under this method can only be collected for the duration of the project. Once the capital project(s) has been completed, the forgone revenues are removed from the city's revenue stream.

The decision to use a portion of the City's forgone balance, for the cases outlined above, remains with the City Council. The FY 2022-2023 City Manager's Recommended Budget includes the equivalence of one percent (1%) revenue, or $267,384 of forgone balance into the City's operations budget. This inclusion is consistent with the first foregone balance recovery method described above.

	Amount by Year	Cumulative Amount
FY 2010	$539,902	$539,902
FY 2011	$476,376	$1,016,278
FY 2012	$463,422	$1,479,700
FY 2013	-$1,123	$1,478,577
FY 2014	$8,630	$1,487,207
FY 2015	$395,464	$1,882,671
FY 2016	$266,548	$2,149,219
FY 2017	$37,034	$2,186,253
FY 2018	$0	$2,186,253
FY 2019	-$770,000	$1,416,284
FY 2020	$530	$1,416,814
FY 2021	$697,681	$2,114,495
FY 2022	-$251,803	$1,862,692
FY 2023	-$267,384	$1,595,308

Will it cost more for City Services?

As developed and submitted for consideration, City staff projects the average citizen will cost the average citizen $24.06 more per month, $288.74 per year. The table illustrates the projected impact on the average resident in Twin Falls.

	FY 21-22 Adopted Budget	**FY 22-23 Recommended Budget**	**Variance**
Property Tax	Tax Rate: $6.25/$1,000 of taxable value	Tax Rate: $4.78/$1,000 of taxable value	Tax Rate: -$1.47/$1,000 of taxable value
Median Value of Owner-Occupied Home: FY 2023 - $358,000 (January 2022) FY 2022 - $257,000 (January 2021)	**$825.00** *(annual)* **$68.75** *(monthly)*	**$1,113.74** *(annual)* **$92.81** *(monthly)*	**$288.74** *(annual)* **$24.06** *(monthly)*
Utility Bills			
Average Residential Customer Comsumption of:			
Water - 18,000 gallons	$51.88	$51.88	$0.00
Sewer - 12,000 gallons	$30.07	$30.07	$0.00
Sanitation & Recycling	$19.62	$19.62	$0.00
Total Utility Bills	$101.57	$101.57	$0.00
Monthly Total of Property Tax and Utility Bills	**$170.32**	**$194.38**	**$24.06**

Approval

There is no approval process at this point in the process. The City Council will be holding a series of public hearings prior to adopting the Appropriations Ordinance for the 2022-2023 Fiscal Year. The public hearings are scheduled for August 8, 2022 (rate and fees) and August 22, 2022 (preservation for forgone balance and appropriations ordinance). Final adoption of Appropriations Ordinance is also scheduled for the evening of August 22, 2022.

Budget Impact:

There are no current budgetary or financial impacts from the conversation. From this process, we will establish the Fiscal Year 2022-2023 City Manager's Recommended Budget.

Regulatory Impact:

- Idaho Code Section 50-811 states the City Manager shall "...keep the council fully advised of the financial condition of the city and its future needs..." and "…prepare and submit to the council a tentative budget for the next fiscal year."
- Idaho Code §50-235 empowers each city council of each city to levy taxes for general revenue purposes
- Idaho Code §50-1002 requires the city council of each city in the State of Idaho to pass a budget, referred to as an annual appropriation ordinance
- Idaho Code §63-802 sets limitations on all taxing district budget requests on the amount of property tax revenues that can be used to fund programs and services. This section also states that taxing entities can only increase property tax collections by a maximum of three percent (3%) annually, plus value of new construction and annexation added during the previous calendar year, and forgone taxes that have been accumulated and reserved in prior fiscal years

Attachments

Recommended Budget for FY 2022-2023 can be found online.