Twin Falls City Council
Agenda

Monday, August 10, 2026, 5:00 PM

AMENDED AGENDA

203 Main Ave E.
Twin Falls, ID 83301

Members: Mayor Jason Brown, Vice Mayor Craig Hawkins, Council Members Christopher Reid, Grayson Stone, Cherie Vollmer, Ruth Pierce, Nathan Murray

1) Call Meeting to Order/Confirmation of Quorum

2) Pledge of Allegiance

3) Consent Calendar
   a) **ACTION ITEM:** Request to approve City Council August 03, 2026, Minutes.
      By: Amy Luna, City Clerk
   b) **ACTION ITEM:** Request to approve Accounts Payable for July 30 through August 05, 2026.
      By: Amy Luna, City Clerk
   c) **ACTION ITEM:** Request to approve August 05, 2026, Travel Requests.
      By: Amy Luna, City Clerk

4) Items of Consideration
   a) **PRESENTATION:** Presentation of Road Master Certificates
      By: Troy Vitek, City Engineer, Mark Thomson, Street Superintendent
   b) **PRESENTATION:** Swearing in ceremony for the Twin Falls Police Department's three newest officers: Kyle Boas, Patrick Jones, and Murad Salvarov.
      By: Matthew Hicks, Chief of Police
   c) **PRESENTATION:** Presentation of POST Basic Emergency Communications Certificate to Justice Larson, POST Basic Emergency Communications Certificate to Megan Parker-Smith, POST Advanced Emergency Communications Certificate to Emily Hill, POST Advanced Certificate Martin Becerra, and Post-Master Certificate to Jason Kelly.
      By: Matthew Hicks, Chief of Police
   d) **ACTION ITEM:** Request to authorize $91,284.34 from wastewater reserve funds for HVAC units at the WWTP in the Dewatering and Headworks #2 buildings.
      By: Nathan Erickson, Environmental Manager
   e) **ACTION ITEM:** Council review of FY 2027 Budget Recap with focus on Council Capital.
      By: Travis Rothweiler, City Manager

5) General Public Input

6) Advisory Board Report/Announcements

7) Executive Session
   a) **ACTION ITEM:** Request to adjourn to Executive Session pursuant to Idaho Code § 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 (f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement.

8) Adjournment

Any person needing special accommodation to participate in the above-noticed meeting could contact Josh Palmer (208) 735-7312 at least two working days before the meeting. Si Desae Esta information in Español, Por favor llama a Josh Palmer al telephone (208) 735-7312.

Public Input Procedures

1. Individuals wishing to provide public input regarding matters relevant to the City of Twin falls shall:
   a. Wait to be recognized by the Mayor or Chairman.
   b. Approach the microphone/podium.
   c. State their name, and whether they are a resident or property owner of the City of Twin Falls and proceed with their input.
2. All public input will be limited to two (2) minutes. Individuals are not permitted to give their time to other speakers.
3. All presenters shall remain respectful.

Public input will not be about any of the items that were on this agenda, personnel, or a personnel-related issue. All issues involving City personnel should be directly communicated with the mayor and/or the City Manager.

Anyone failing to follow these rules will be provided with one (1) warning. Should the speaker continue to disregard these rules after the warning, they will have the microphone muted and they will be asked to return to their seats.

Public Hearing Procedures for Zoning Requests

1. Prior to opening the first Public Hearing of the session, the Mayor or Chair 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 Chair, 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 should 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 is the request 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 public will then be given the opportunity to provide their testimony regarding the request. The Mayor or Chair 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 Chair. The spokesperson shall be limited to 15 minutes.**
   - **Written comments, including e-mail, shall be received 2 business days prior to the date of the hearing to be accepted for consideration by the hearing body.**
8. Following the Public Testimony, the applicant is permitted five (5) minutes to respond.
9. Following the Public Testimony and Applicant's response, Council or Commission members, as recognized by the Mayor or Chair, 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 Chair may limit the time permitted for the answer.
10. The Mayor or Chair 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, applicants 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.

Twin Falls City Council
Minutes

Monday, August 3, 2026, 5:00 PM

203 Main Ave E.
Twin Falls, ID 83301

1) Call Meeting to Order/Confirmation of Quorum

Present: Mayor Jason Brown, Vice Mayor Craig Hawkins, Council Members Ruth Pierce, Christopher Reid, Nathan Murray, Cherie Vollmer.

Absent: Council Member Grayson Stone.

Staff Present: City Manager Travis Rothweiler, Deputy City Managers Mitch Humble & Gretchen Scott, City Attorney Bruce Castleton(via phone), City Clerk Amy Luna, Deputy City Clerk Rachael Long, Police Chief Matthew Hicks, Captain Brent Wright, Captain Terry Thuesen, Fire Chief Mitchell Brooks, Public Information Coordinator Joshua Palmer, P&R Director Wendy Davis, Assistant to the City Manager Mandi Thompson, Airport Manager Matt Barnes, CFO Breanna Howard, P&Z Director Jonathan Spendlove, Assistant PW Director Erin Steel.

Mayor Brown called the meeting to order at 5:00 PM. A quorum was present.

2) Pledge of Allegiance

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

3) Invocation

Mayor Brown held a moment of silence for the incident on Saturday afternoon for the victims and their families.

4) Consent Calendar

MOTION: Council Member Pierce moved to approve the Consent Calendar as presented. **Council Member Reid** seconded the motion. The roll call vote showed all members present voted in favor of the motion, 6 to 0.

a) Request to approve City Council July 27, 2026, minutes.
b) Request to approve Accounts Payable for July 23-29, 2026.
c) Request to approve July 29, 2026, Travel Requests.
d) Request to approve 2026 June Wells Fargo Credit Card Summary.
e) Request to accept land dedication from Westpark Properties LLC.
f) Request to approve Findings of Facts and Conclusions of Law for the following: PZ26-0091 FPLAT - South Ridge Subdivision

5) Items of Consideration

a) Recognize Commissioners Drew Nash and Laura Stewart for their dedicated service on the Public Art Commission.
Postponed for a future date.

b) Consider a Request to Confirm the Mayor's appointment of Hannah Arthur, Cheyenne Lobato and Chris Newbry, and waive the two-term limit and re-appoint Melissa Crane to serve on the Public Art Commission.
Parks and Recreation Director Davis requested to confirm the mayor's appointment of Hannah Arthur, Cheyenne Lobato and Chris Newbry, and waive the two-term limit and re- appoint Melissa Crane to serve on the Public Art Commission.

Discussion ensued on the following:
Council Member Hawkins: Spoke in favor of this request.

MOTION: Council Member Hawkins moved to approve the request to appoint Hannah Arthur, Cheyenne Lobato and Chris Newbry, and waive the two-term limit and reappoint Melissa Crane to serve on the Public Art Commission. **Council Member Pierce** seconded the motion. The roll call vote showed all members present voted in favor of the motion, 6 to 0.

c) Request for the City Council to approve the GMP (Guaranteed Maximum Price) of $2,036,926 for the expansion of the Twin Falls Animal Shelter.
Assistant to the City Manager, Thompson requested the City Council to approve the GMP (Guaranteed Maximum Price) of $2,036,926 for the expansion of the Twin Falls Animal Shelter.

Discussion ensued as follows: None.

MOTION: Council Member Pierce moved to approve the request to approve the GMP (Guaranteed Maximum Price) of $2,036,926 for the expansion of the Twin Falls Animal Shelter. **Council Member Vollmer** seconded the motion. The roll call vote showed all members present voted in favor of the motion, 6 to 0.

d) Council review of the City Manager's Recommended Budget for FY 2026-2027 (FY 2027) and Adoption of Preliminary Budget.
City Manager Rothweiler gave a review of the City Manager's Recommended Budget for FY 2026–2027 (FY 2027) and Adoption of the Preliminary Budget.

Discussion ensued on the following:
Council Member Pierce: Asked about adding additional items**.** I would like some funds for the Public Arts Commission.
Council Member Vollmer: Is the maintenance included in the Parks budget?

MOTION: Council Member Pierce moved to approve the request to adopt the Preliminary Budget for FY 2026-2027 (FY2027)**. Council Member Hawkins** seconded the motion. The roll call vote showed all members present voted in favor of the motion, 6 to 0.

6) General Public Input
The following citizens spoke:
Dan Brizee: Spoke on the Shade Sails and possibly getting some for the City Park.
Isaac Reynolds: Spoke about the tragedy that happened on Saturday.
Kelsey Dawson: Spoke about the Southern Idaho Socialists and the crowd control equipment.
Maria Hernandez: Spoke about the amazing response to the tragedy that happened on Saturday and the grief support that is being provided.
Layton Dey: Spoke about the dangers of the Flock system.
Dan Miller: Spoke against the Flock system and plans to petition for this issue to be on the next election ballot. If used correctly, it could be a great thing.
Joseph Edgar: What part of the budget for Harmon Park is going to be for a skate park?
McCoy Peterson: Proud of our community for the response to Saturday's tragedy and how unnecessary the flock cameras in our community are.
Dana Jahn: Spoke about the need for more money for the Meals on Wheels program provided by the Twin Falls Senior Center.
William Pettingill: Asked the City Council to remove the Flock Cameras from Twin Falls.

7) Advisory Board Report/Announcements
City Manager Rothweiler spoke about the events last weekend and how proud he is of all the individuals that stepped up in this time of need.
Police Chief Matt Hicks spoke about the events last weekend and the following items.
National Night Out will be postponed, and a new date will be determined soon.
Communities Partners: The FBI will be pushing out a victims search page in relation to the In N Out Incident.
Community and Victim Support: Sawtooth Elementary School will be open for community support on August 4th & 5th from 10 am to 8 pm.

8) Public Hearings

a) Request to approve a resolution R-2026-004 of the City Council of the City of Twin Falls,Idaho proposing new and increased fees and other amendments to the City's Master Fee Schedule. **City Financial Officer, Howard,** requested to approve resolution R-2026-004 of the City Council of the City of Twin Falls, Idaho proposing new and increased fees and other amendments to the City's Master Fee Schedule.

Public Hearing Opened: 6:22 pm
Public Hearing Closed: 6:23 pm

Discussion ensued on the following:
Council Member Hawkins: Spoke in favor of this item.

MOTION: Council Member Pierce moved to approve the request to approve resolution R- 2026-004 of the City Council of the City of Twin Falls, Idaho proposing new and increased fees and other amendments to the City's Master Fee Schedule**.** **Council Member Hawkins** seconded the motion. The roll call vote showed all members present voted in favor of the motion, 6 to 0.

9) Adjournment
The meeting adjourned at 06:24 PM.

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Amy Luna, City Clerk

**If you wish to have a full account of this meeting, please listen to the recording that is located on our website. ** Tfid.org

Date: Monday, August 10, 2026

To: Honorable Mayor and City Council

From:

PRESENTATION

Request:

Presentation of Road Master Certificates

Time Estimate:

Staff estimates the presentation to take 10 minutes to explain and hand out the certificates.

Background:

Will Fuller obtained his Road Scholar on 12/12/24 and Road Master on 12/5/24. Zakery Hausner obtained his Road Master on 6/24/25.

Approval Process:

N/A

Budget Impact:

Minor training dollars budgeted to the departments are expended on this additional training.

Regulatory Impact:

N/A

History:

N/A

Analysis:

N/A

Conclusion:

N/A

Attachments:

None

Date:	Monday, August 10, 2026
To:	Honorable Mayor and City Council
From:	Matthew Hicks, Chief of Police

PRESENTATION

Request:

Swearing in ceremony for the Twin Falls Police Department's three newest officers: Kyle Boas, Patrick Jones, and Murad Salvarov.

Time Estimate:

The presentation will last approximately 10 minutes.

Background:

Kyle Boas was hired by the Twin Falls Police Department on February 23, 2026, as a Police Officer Recruit. Kyle was born in Redding, CA, and was raised in Bend, OR. Kyle graduated from Mountain View High School in 2006, and eventually moved to Twin Falls in 2021. Prior to Kyle's employment with the TFPD, Kyle worked at Pepsi Co. for 15 years, becoming part of the management and leadership team. Kyle also worked for PSI - Waste Connections as a driver and supervisor, providing leadership and guidance to a team of 25. Kyle is passionate about serving his community in a law enforcement role and promoting personal and professional integrity. Past life experiences have taught Kyle that serving others is where he wants to focus his energy, finding fulfillment in making positive differences in the lives of our Twin Falls residents.

Patrick Jones was hired by the Twin Falls Police Department on March 9, 2026, as a Police Officer Recruit. He was born and raised in Tulare, CA. Prior to Patrick's employment with the Twin Falls Police Department, he enlisted in the Marine Corp for 5 years. Patrick is passionate about serving his community in a law enforcement role. Just like the military, he joined the Twin Falls Police Department to help people to the best of his ability.

Murad Salvarov was hired by the Twin Falls Police Department on March 9, 2026, as a police officer recruit. He was raised in Twin Falls, Idaho and has lived here since he was one. Murad graduated from Canyon Ridge High School in 2021. Prior to his employment with the Twin Falls Police Department, Murad was working as a semi-truck dispatcher for his family's business. The reason he chose to be a Police Officer and work for Twin Falls was to build a better relationship with the community and be a part of something bigger than himself. Murad wants to protect those who cannot protect themselves, serve his community, and make a positive impact to those around him.

Approval Process:

Budget Impact:

N/A

Regulatory Impact:

N/A

History:

N/A

Analysis:

N/A

Conclusion:

Attachments:

None

Date: Monday, August 10, 2026

To: Honorable Mayor and City Council

From: Matthew Hicks, Chief of Police

PRESENTATION

Request:

Presentation of POST Basic Emergency Communications Certificate to Justice Larson, POST Basic Emergency Communications Certificate to Megan Parker-Smith, POST Advanced Emergency Communications Certificate to Emily Hill, POST Advanced Certificate Martin Becerra, and POST Master Certificate to Jason Kelly.

Time Estimate:

Approximately 10 minutes.

Background:

Approval Process:

N/A

Budget Impact:

This will not impact the budget.

Regulatory Impact:

N/A

History:

N/A

Analysis:

N/A

Conclusion:

Chief Hicks would like to present these POST certificatation before the City Council on Monday, August 10.

Attachments:

None

Date:	Monday, August 10, 2026
To:	Honorable Mayor and City Council
From:	Nathan Erickson, Environmental Manager

ACTION ITEM

Request:

Request to authorize $91,284.34 from wastewater reserve funds for HVAC units at the WWTP in the Dewatering and Headworks #2 buildings.

Time Estimate:

The staff presentation will take approximately five minutes.

Background:

This fiscal year, staff have been working with the Wastewater Treatment Plant (WWTP) to complete updates to the dewatering system. The key components of this project include refurbishing one of the belt presses and replacing the main HVAC unit in the Dewatering building. The refurbishment of the belt press is nearing completion, and the contract details for the HVAC replacement have been completed. However, there is a shortage of funds available to complete this project. Additionally, a smaller HVAC unit in Headworks #2 building has recently failed and requires replacement. This request aims to secure additional funds to complete these projects, along with a contingency.

The budget for the dewatering system maintenance in 2026 was set at $500,000. We utilized $288,833.42 to rebuild one belt press, install a heat pump in the office, and replace a booster pump. This leaves us with a remaining budget of $211,166.58.

Following an informal bidding process, we have a proposed contract with Jacobs Engineering to replace the HVAC unit in the Dewatering building at a cost of $249,361.99. Additionally, the HVAC unit in the control room at the Headworks #2 building has failed, and we have received a quote for $13,088.93 to replace it.

The total cost for the Dewatering and Headworks #2 HVAC units amounts to $262,450.92. With an added 15% contingency of $40,000, the anticipated total comes to $302,450.92. After subtracting the remaining budget of $211,166.58, we are requesting $91,284.34 from wastewater reserves.

Approval Process:

Majority approval by City Council will authorize City Staff to use wastewater reserve funds.

Budget Impact:

Sufficient funds are available in the wastewater reserves to expend the unbudgeted amount of $91,284.34.

Regulatory Impact:

N/A

History:

N/A

Analysis:

N/A

Conclusion:

Staff recommends that City Council authorize the use of $91,284.34 from wastewater reserve funds to complete the HVAC replacements in the WWTP Dewatering and Headworks #2 buildings, including contingency. Approving this request will allow staff to proceed with the planned Dewatering building HVAC replacement and address the failed Headworks #2 control room HVAC unit, thereby supporting the continued reliable operation of the WWTP.

Attachments:

None

Date: Monday, August 10, 2026

To: Honorable Mayor and City Council

From:

ACTION ITEM

Request:

Council review of FY 2027 Budget Recap with focus on Council Capital.

Time Estimate:

Background:

Approval Process:

Budget Impact:

Regulatory Impact:

History:

Analysis:

Conclusion:

Attachments:

1. 08-10-2026 FY 2026-2027 Budget CM Presentation - Preliminary Budget Overiew

Date:	Monday, August 10, 2026
To:	Mayor and City Council
From:	Travis Rothweiler, City Manager

Request
Presentation and continued Council Discussion on the FY 2026-2027 Preliminary Budget for the City of Twin Falls, Idaho.

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

Background

Idaho Code Section 50-811 requires the City Manager to keep the City Council fully advised of the financial condition of the City and its future needs while preparing and submitting an annual budget for consideration. In fulfillment of that responsibility, it is my privilege to present the Fiscal Year 2026-2027 (FY 2027) Recommended Budget for the City of Twin Falls. This budget reflects the collective efforts of the City Council, department leaders, employees, and community stakeholders. Developed in the spirit of our "One City" philosophy, it is the product of many hours of analysis, collaboration, and thoughtful discussion regarding the priorities and future needs of our community

Twin Falls continues to experience sustained growth and increasing demands for services. With an estimated population of 57,077 residents, the City has grown by more than 10.17% since the 2020 Census and currently maintains an annual growth rate exceeding 1.8%. The City employs 354 full-time employees dedicated to delivering essential public services and supporting a community that serves as the regional hub for south-central Idaho. The City's net taxable value now exceeds $6.782 billion, excluding more than $717.7 million located within Urban Renewal Agency revenue allocation areas. In 2017, Twin Falls' net taxable value was $2.360 billion, which reflects an increase of $4.442 billion, or more than two and one-half times. Additionally, the growth in value is a sign of the strength of the local economy and the continued attractiveness of our community.

The City's fiscal year extends from October 1 through September 30. Developed in accordance with Idaho law and Government Finance Officers Association (GFOA) best practices, the FY 2027 Budget serves as the City's primary financial planning and policy document. It provides a balanced, sustainable, and strategically focused framework for allocating resources to the services, infrastructure, and programs that protect public safety, support economic vitality, maintain community assets, and enhance quality of life. While the budget does not fund every project or initiative proposed during the development process, it prioritizes the most critical needs identified by employees, departments, City Council, and the community.

The FY 2027 Budget was developed to advance the goals established by the City's Strategic Plan and confirmed by the City Council at the outset of the budget process. Those goals included:

- maintaining a stable, sustainable, and adaptable financial position,
- developing a budget that is responsive to changing economic conditions,
- aligning expenditures with the City's 2030 and 2040 Strategic Plans,
- continuing the pursuit of becoming an Employer and Organization of Choice, and,
- balancing the need for additional revenues with the affordability concerns facing residents and businesses.

The FY 2027 budget includes total expenditures and transfers of $102,179,406, representing an increase of $1,122,992, or 1.11%, compared to FY 2026. However, the budget for FY 2027 is less than the budget approved for FY 2025 of $109,692,892, and represents a decrease of $7,513,486, or 6.85%.

Overall Governmental Fund expenditures are recommended to increase by $4,632,316, or 7.66%. The increases are predominantly found in two areas. The General Fund is recommended to increase by $2,194,458, or 5.39%, and will be used to support increased costs realized in both personnel and operations, and in the General Fund Capital Fund of $1,876,953, or 34.34%, to support improvements to facilities and to fund scheduled fleet replacements.

As a matter of practice, the City focuses primarily on the "net budget," which excludes transfers between funds and provides a clearer picture of actual operating and capital expenditures. The FY 2027 net budget totals $96,547,281, an increase of $1,070,944, or 1.12%, over the FY 2026 net budget of $95,476,336. This budget will serve as the framework for delivering essential services, maintaining critical infrastructure, and advancing strategic priorities during the coming fiscal year.

The City's Budget as a Policy, Communications, and Funding Plan

The annual budget serves as the City of Twin Falls' primary financial planning, policy, and communication document. More than a collection of revenues and expenditures, it is a strategic roadmap that aligns resources with community priorities, organizational objectives, and the long-term vision established by the City Council. Through a deliberate and disciplined budgeting process, expenditures are carefully evaluated to ensure they advance the City's mission, support strategic priorities, and provide measurable value to the community. This approach allows the City to balance current service demands with future obligations while remaining responsive to changing economic conditions, growth pressures, and community expectations.

Strategic Budgeting

The City of Twin Falls has long embraced a strategic approach to governance, planning, and resource allocation. In 2013, the City Council adopted the 2030 Strategic Plan to establish a clear vision and direction for the future of the community. The plan was developed through an extensive public engagement process that spanned nearly a year and included meaningful conversations with residents, businesses, community organizations, and other stakeholders. These discussions, combined with an analysis of local, regional, and statewide trends, helped identify the priorities, opportunities, and challenges that would shape Twin Falls for decades to come.

While the core vision established by the community remains as relevant today as it was more than a decade ago, the City recognizes that strategic planning must remain responsive to changing circumstances. Population growth, economic shifts, technological advancements, workforce challenges, and evolving community expectations require continual evaluation and adaptation. Recognizing this reality, the City Council and staff initiated a comprehensive update of the Strategic Plan earlier this year. The updated plan is expected to be completed later this fall.

Priority Based Budgeting and Performance Measurement

As community expectations evolve and financial resources become increasingly constrained, the City must continuously evaluate how services are delivered and whether resources are aligned with the outcomes most valued by residents. Priority Based Budgeting provides a structured framework for connecting expenditures to community priorities, strategic objectives, and measurable results. Rather than focusing solely on how much is spent, this approach evaluates the value, effectiveness, and impact of City programs, helping ensure that limited resources are directed toward services that best support the community's safety, health, welfare, and quality of life.

Our Commitment to Provide Quality Services

The City of Twin Falls is committed to delivering high-quality, cost-effective services that protect public safety, support economic vitality, and enhance the quality of life for residents. This commitment serves as the foundation for the City's policies, operational plans, and budget decisions. The annual budget is intentionally designed to align resources with the outcomes most valued by the community, ensuring that every public dollar is invested thoughtfully and strategically.

Commitment to Transparency

Consistent with the City's commitment to transparency and community engagement, significant efforts are made to encourage public participation throughout the budget development process. Budget presentations begin on July 6, 2026, and are available both in person and online to maximize accessibility. Citizens are provided multiple opportunities to review budget proposals, offer input, and participate in discussions prior to adoption. Following the required public hearing on August 24, 2026, the City Council will adopt the FY 2027 Budget, reaffirming its commitment to responsible financial stewardship and the continued success of the Twin Falls community.

Economic Indicators and Other Considerations that Shaped this Budget

Developing a responsible and sustainable budget requires more than reviewing revenues and expenditures—it requires a thorough understanding of the local economic environment. While national and state economic indicators provide valuable context, local data often provides the clearest picture of the conditions affecting residents, businesses, and municipal operations. Trends in employment, wages, housing costs, construction activity, population growth, consumer spending, and business investment directly influence service demands, revenue projections, workforce availability, and infrastructure needs. By incorporating local economic data into the budget process, the City is better positioned to anticipate challenges, identify opportunities, and make informed decisions that reflect the realities of the Twin Falls community. This data-driven approach helps ensure that resources are allocated effectively, financial risks are managed proactively, and investments remain aligned with the community's priorities and long-term vision.

Serving as a Regional Center for the Magic Valley

Twin Falls serves a population far larger than its municipal boundaries would suggest. As the regional hub for a geographic area exceeding 275,000 residents and a daytime population estimated to exceed 115,000 people. As the regional center for healthcare, education, employment, shopping, government services, recreation, and transportation, the City of Twin Falls must continue planning for service demands that reflect both resident and non-resident usage. This regional role creates significant economic opportunities while also requiring continued investment in City infrastructure, transportation systems, parks, public safety resources, and community amenities support a regional population that extends well beyond that of the City of Twin Falls.

Rising Municipal Costs and Inflation

Although inflation has moderated from the historic levels experienced in the years immediately following the pandemic, the cost of providing municipal services continues to rise. The Consumer Price Index (CPI) increased 3.77% during the twelve months ending in April 2026, while the Municipal Cost Index (MCI), which more accurately reflects the costs faced by local governments, increased 4.77% through April 2026. The MCI incorporates the costs of labor, construction materials, equipment, vehicles, utilities, technology, insurance, and contracted services, many of which continue to increase at rates exceeding general consumer inflation. Rising construction costs, supply chain disruptions, workforce shortages, insurance premiums, and utility expenses continue to place significant pressure on municipal operating and capital budgets. While annual inflation rates have moderated, the cumulative impact of these increases remains one of the most significant financial challenges facing local governments.

Population Growth and Migration Trends

Idaho continues to be one of the fastest-growing states in the nation. Recent projections estimate the state could add approximately 500,000 residents over the next 25 years, creating continued demand for housing, transportation infrastructure, utilities, public safety services, and community amenities. Growth pressures that have transformed the Treasure Valley are increasingly influencing communities throughout Idaho as households seek affordability and quality of life outside major metropolitan areas. Twin Falls is particularly well-positioned to benefit from these trends as a regional economic center offering employment opportunities, educational institutions, healthcare services, and a high quality of life. Continued population growth will create opportunities for economic expansion while increasing expectations for public infrastructure and municipal services.

Interstate migration continues to play a significant role in Idaho's growth. According to an analysis of Internal Revenue Service migration data, Idaho gained approximately $72 billion in adjusted gross income between 2012 and 2023 through interstate migration, ranking among the top beneficiary states nationwide. Although migration patterns fluctuate over time, Idaho continues to attract residents seeking economic opportunity, affordability, and quality of life. For Twin Falls, continued migration supports economic development and taxable value growth while simultaneously increasing demand for housing, transportation systems, parks, utilities, and public safety services.

Income, Taxes, and Household Affordability

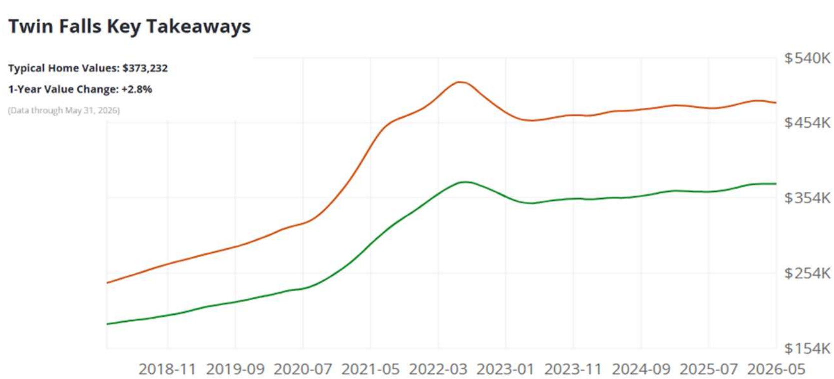
Tax burden remains an important component of overall affordability. A recent national study ranked Idaho 42nd among states in overall tax burden, with residents paying approximately 7.04% of personal income toward state and local taxes. Idaho's relatively low tax burden contributes to the state's competitiveness and attractiveness to residents and businesses. However, local governments must continue balancing service expectations with affordability considerations. The City remains committed to maintaining financial sustainability while minimizing impacts on taxpayers and utility customers whenever possible.

Labor Market and Workforce Conditions

For the City of Twin Falls, workforce constraints affect nearly every aspect of service delivery. Municipal governments are competing with private industry for employees in critical fields such as public safety, engineering, utilities, information technology, skilled trades, and management. As experienced employees retire and workforce expectations continue to evolve, the importance of attracting, developing, and retaining talented employees has never been greater. Employee retention is particularly important, as turnover can result in the loss of institutional knowledge, disrupt service delivery, delay projects, and place additional demands on remaining staff.

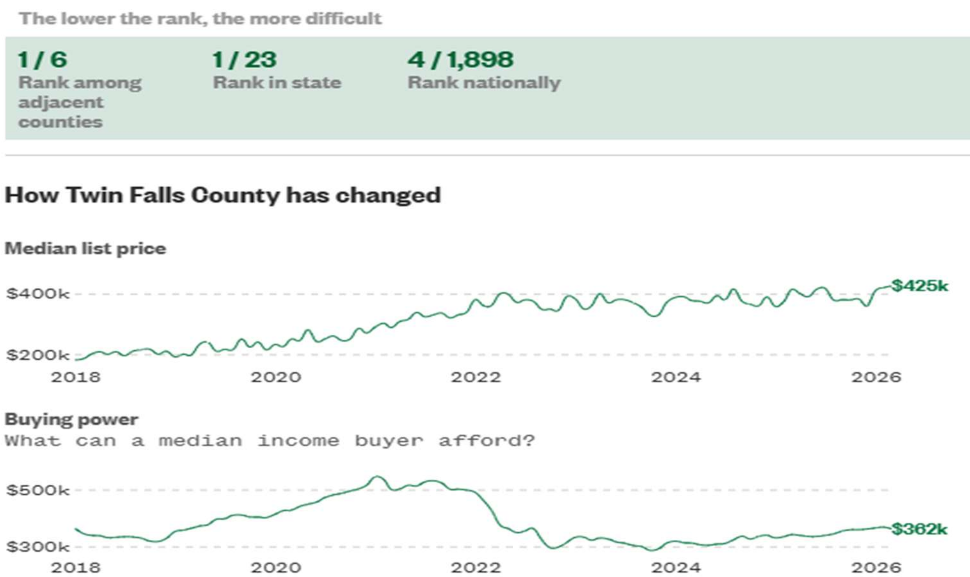
Housing Affordability and Market Conditions

Housing affordability remains one of the most significant economic challenges facing Twin Falls, Idaho, and the nation. While housing prices have stabilized compared to the rapid appreciation experienced during and immediately following the pandemic, affordability continues to be constrained by elevated home values, limited inventory, and higher borrowing costs. As of April 2026, Zillow estimates the average home value in Twin Falls at approximately $370,400, an increase of 2.7% over the past year. Statewide, the average Idaho home value reached approximately $477,500, up 1.1% over the same period. Although appreciation has slowed considerably from the unprecedented growth experienced between 2020 and 2022, home values remain substantially above pre-pandemic levels, creating ongoing challenges for first-time homebuyers and households.



Financing costs continue to play a major role in housing affordability. According to Federal Reserve data, the average 30-year fixed mortgage rate remained near 6.7% during the spring of 2026, more than double the rates available during the pandemic era. Combined with higher home prices, these interest rates have significantly reduced purchasing power and increased monthly housing costs for prospective buyers. The National Association of Realtors recently reported that first-time homebuyers represented only 21% of home purchases nationwide, the lowest share recorded since 1981, highlighting the barriers facing younger households seeking homeownership.

These challenges are reflected in NBC News' monthly Home Buyer Index, which measures housing affordability by considering home prices, mortgage rates, wages, and market competition. The national affordability score remains above 80 on a 100-point scale, indicating one of the most difficult housing markets in decades. On the surface, Twin Falls appears more affordable than many larger metropolitan areas. However, local housing costs have increased faster than household incomes over the past several years, widening the affordability gap for many residents. In March 2026, Twin Falls held the distinction of being the most difficult place to purchase a home in the Magic Valley and the State of Idaho. Nationally, Twin Falls was ranked the fourth most difficult in the county, out of 1,898 counties surveyed.



<u>Using Cash Reserves to Make Strategic Investments in Infrastructure</u>

The City continues to rely on cash reserves to make strategic, long-term investments in its facilities and infrastructure. The City has elected to use $4.893 million of cash reserves to fund a collection of deficiencies at several existing facilities, of which $2.8 million is allocated to fund the construction of a new evidence storage facility for the Police Department. This project will provide secure long-term storage for evidence, dedicated indoor space for vehicle evidence processing and storage, and a large outdoor secured area for vehicles and other oversized evidence. The new facility will nearly double the square footage of storage space (11,500) while creating designated processing areas for both vehicles and large items. The facility will improve evidence handling, preserve chain-of-custody standards, increase operational efficiency, and provide the capacity needed to meet current and future public safety needs

<u>Employee Compensation, Benefits, and Workforce Investment</u>

The City's employees remain its most valuable asset and are essential to delivering the high-quality services that residents expect. Achieving the goals outlined in the Strategic Plan depends on attracting, developing, and retaining a talented and engaged workforce. As a result, employee compensation, benefits, and professional development continue to be important priorities in the FY 2027 Budget. To remain competitive in a challenging labor market, the budget includes: 3% performance adjustment, 3% general salary table adjustment, 0% increase in health insurance premiums without a change of plan or reduction of benefits, ontinuation of the retention pay program, and continued employer contributions to the Voluntary Employees' Beneficiary Association (VEBA).

These investments reflect the City's ongoing commitment to being an Employer and Organization of Choice while supporting the financial well-being of employees and their families.

The City's transition to a self-funded health insurance model has also strengthened its ability to manage rising healthcare costs while maintaining quality benefits. For several years, the City explored alternatives to the traditional fully insured model, working with actuaries and conducting competitive market evaluations to identify a more sustainable long-term solution. In 2024, the transition to a self-funded plan became financially feasible and has since provided greater control over healthcare costs and plan design. At a time when many Idaho employers continue to experience double-digit increases in health insurance premiums, the City's self-funded model is projected to generate significant savings while allowing benefits to remain stable and affordable for employees and their dependents.

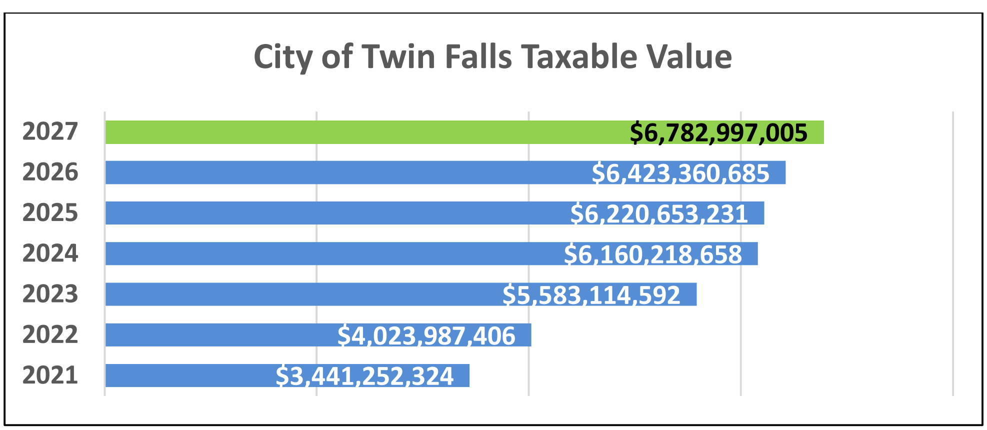
Workforce planning remained a key focus throughout the budget development process. Departments submitted requests for 11 new positions and several position upgrades totaling more than $1.75 million in the first year alone. Following a comprehensive review, the Executive Leadership Team recommended funding two positions with a total first-year cost of $264,096:

- 1 FTE - Project Manager, and
- 1 FTE - School Resource Officer assigned to the Twin Falls Police Department - 90% of the School Resource Officer cost reimbursed by the school district.

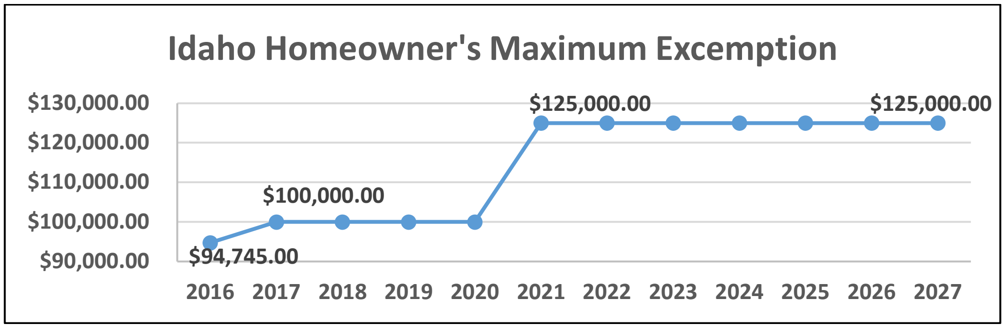
No position upgrades were funded during this budget cycle. At the same time, departments continue to evaluate workload demands, succession planning needs, compensation competitiveness, and workforce development opportunities. Additional investments in training, professional development, leadership development, and employee growth remain important components of the City's long-term strategy to attract and retain talented public servants while ensuring organizational excellence for years to come.

Taxable Value and Property Tax Considerations

The City's taxable value remains one of the primary indicators of community growth, economic activity, and long-term fiscal capacity. It is important to note that the City's reported taxable value excludes properties located within the Twin Falls Urban Renewal Agency (URA) revenue allocation areas. The taxable value of properties within the URA is currently $717,684,566. When combined with the City's taxable value, the total taxable value within the Twin Falls city limits exceeds $7.5 billion. As illustrated below, the taxable value used to calculate the FY 2027 tax rate for the City of Twin Falls is the largest in its history.



Property tax relief remains an important issue for homeowners throughout Idaho. From 2006 through 2016 (FY 2007 to FY 2017), the State's homeowner's exemption was indexed annually to reflect changes in real estate market conditions, helping ensure that tax relief kept pace with increasing property values. In 2017, however, the Idaho Legislature established a fixed exemption amount of $100,000, which remained unchanged until 2021 when it increased to $125,000. While the increase provided additional relief for homeowners, rapid appreciation in residential property values has significantly outpaced the adjustment. As housing values continue to rise across Idaho, the effectiveness of the exemption as a long-term tax relief tool has diminished. Reinstating an index tied to market conditions would provide a more responsive and sustainable approach to helping homeowners manage future increases in property values and property taxes.



Forgone Property Tax Balance

Idaho law provides local governments with flexibility in managing property tax revenues through the use of forgone balances. Under Idaho Code §63-802(e), cities may choose not to take the full property tax increase allowed in a given year and reserve that capacity for future use. This approach allows elected officials to balance current affordability concerns with future funding needs while preserving the ability to respond to changing economic conditions, service demands, or infrastructure requirements.

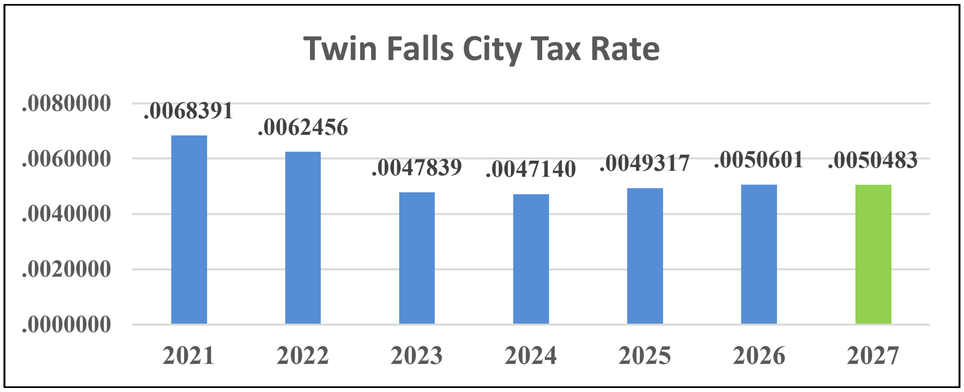
The FY 2027 budget continued this practice and includes an allocation of $820,000 for the following capital projects - $770,000 traditionally used for Council Capital and $50,000 from what was previously allocated to fund the municipal power outsource grant (MPOG). By utilizing forgone balances for non-recurring expenditures, the City can address current infrastructure and capital needs while maintaining long-term fiscal sustainability and minimizing future impacts on taxpayers. The table below shows changes to the City's forgone balance since FY 2011.

	Amount by Year	Cumulative Amount
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	-$267,420	$1,595,272
FY 2024	-$291,244	$1,304,028
FY 2025	-$307,591	$ 996,464
FY 2026	-$324,980	$ 671,491
FY 2027	-$342,816	$ 328,675

The City Council followed the City Manager's recommendation and incorporated $342,816 of the City's forgone balance (the equivalence of 1% property tax revenue) into the FY 2027 budget for operational support and the increased cost of providing municipal services.

Property Tax Rates

As property values increase, the City's property tax rate typically adjusts downward to generate only the amount of revenue authorized by law. Based on the FY 2027 taxable value, the City's property tax rate is projected to decrease from $5.06 per $1,000 of taxable value in FY 2026 to $5.05 per $1,000 in FY 2027. As illustrated in the following graph, the FY 2027 rate remains among the lowest property tax rates levied by the City in recent history. This continued decline reflects both the growth of the City's tax base and the City's ongoing commitment to balancing community investment with long-term affordability for residents and businesses.



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

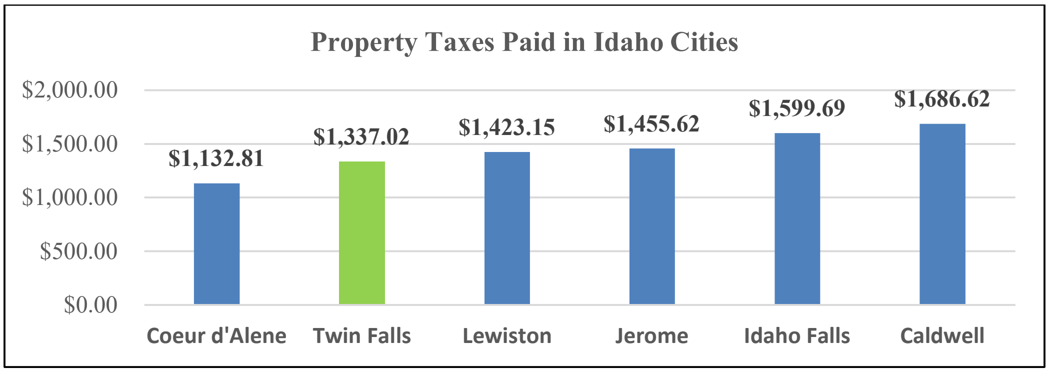
How does our Tax Rate compare to the other, large full-service Idaho cities?

One of the most common questions asked by residents is how Twin Falls' property taxes compare to those of other Idaho cities. While tax rates alone do not provide a complete picture, they can offer useful context when evaluating overall property tax burden. To provide a more meaningful comparison, the table and graph below estimate the amount of city property tax paid on a median-valued, owner-occupied home in Idaho's larger full-service cities. This approach accounts for both local tax rates and differences in housing values, providing a better illustration of the actual taxes paid by homeowners. The information presented was compiled using property tax rate data from the Associated Taxpayers of Idaho Levy Book and median home value estimates from Zillow. Although the comparison is intended as a general illustration and should not be viewed as an exact calculation for every property, it provides a reasonable benchmark for evaluating Twin Falls' position relative to other Idaho communities and helps place local property tax discussions into a broader statewide context.

	Total City Taxes Paid	Median Home Value January 2025	Tax Rate FY 2026
Coeur d'Alene	$1,132.81	$591,288	0.00242941
Twin Falls	$1,337.02	$363,286	0.00561100
Lewiston	$1,423.15	$361,969	0.00600563
Jerome	$1,455.62	$374,516	0.00583377
Idaho Falls	$1,599.69	$398,975	0.00583882
Caldwell	$1,686.62	$405,048	0.00602261

	Total City Taxes Paid	Median Home Value January 2025	Tax Rate FY 2026
Twin Falls	$1,141.88	$356,510	0.00493230
Caldwell	$1,452.25	$393,935	0.00540000
Pocatello	$1,363.65	$330,452	0.00663733
Jerome	$1,477.93	$374,516	0.00592318
Lewiston	$1,451.63	$361,969	0.00612582
Idaho Falls	$1,522.53	$383,758	0.00588398

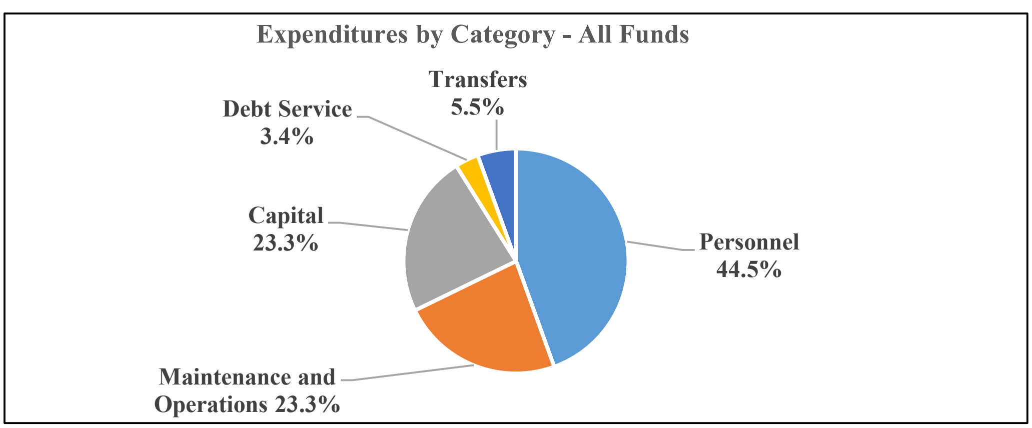
Note: Idaho's median value of an owner-occupied home for this same period was $476,529.



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 2027, the Street Fund and Street Light Fund budgets for the City of Twin Falls are $8,032,642, or 12.34% of the total for tax supported funds. Nampa has also been excluded because they contract fire and rescue services with the Nampa Rural Fire Department. The City of Twin Falls expends $9,369,560 on fire and rescue services, or 14.40% of tax supported funds.

<u>Expenditures in All Funds</u>

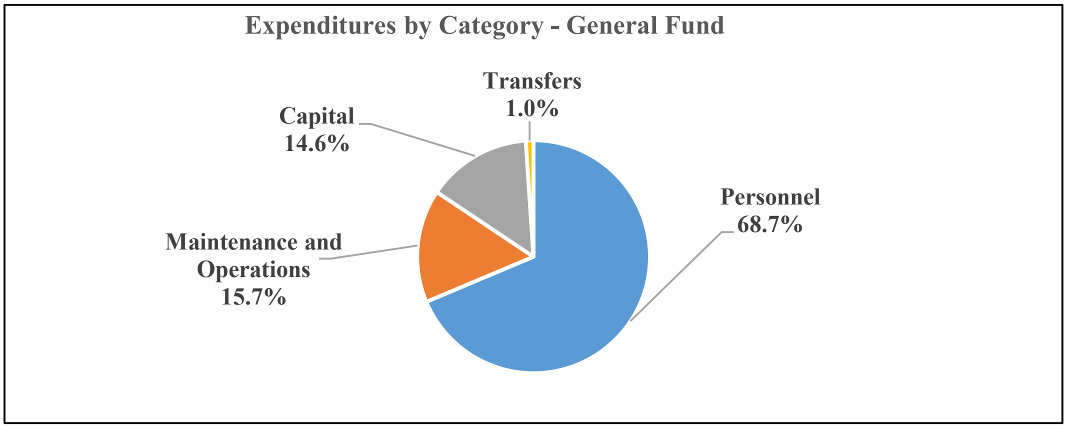
Expenditures in this budget are classified under one of five major categories: Personnel, Maintenance and Operations, Capital, Debt Service, and Transfers. The graph below shows the relative percentage of FY 2027 budget expenditures for the five major categories in all funds combined.



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.

Expenditures in the General Fund

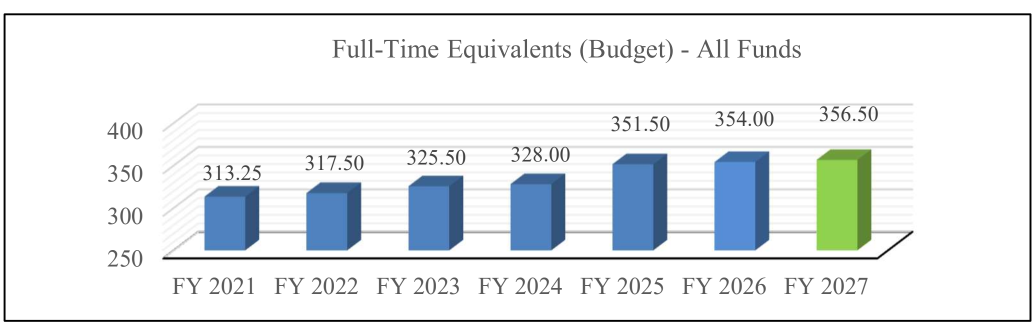
Using the same classification of expenditure types (less Debt Service), the percentages of budgeted expenditures for the General Fund are shown below. When analyzing General Fund expenditures by category in comparison to All Funds, Personnel costs are a much higher percentage, and Capital a much lower percentage, as the General Fund spends relatively less for capital improvements, infrastructure, and equipment.



Personnel in All Funds

As we work to realize this vision statement, the City of Twin Falls strives to provide existing employees with the equipment, technology, infrastructure, and financial incentives necessary for them to complete their tasks and responsibilities in an efficient and effective manner. In addition, we recognize the importance of, and the responsibility of providing our employees with a competitive total compensation package. To meet an ever-increasing workload, citizen expectations, and legislated requirements, several requests were made by department leaders to add employees to our workforce. More requests for new employees were made than we were able to include in the proposed budget. However, the fact that some of the positions were not included does not mean they aren't needed. Therefore, we want to make sure we include all the positions requested but not funded.

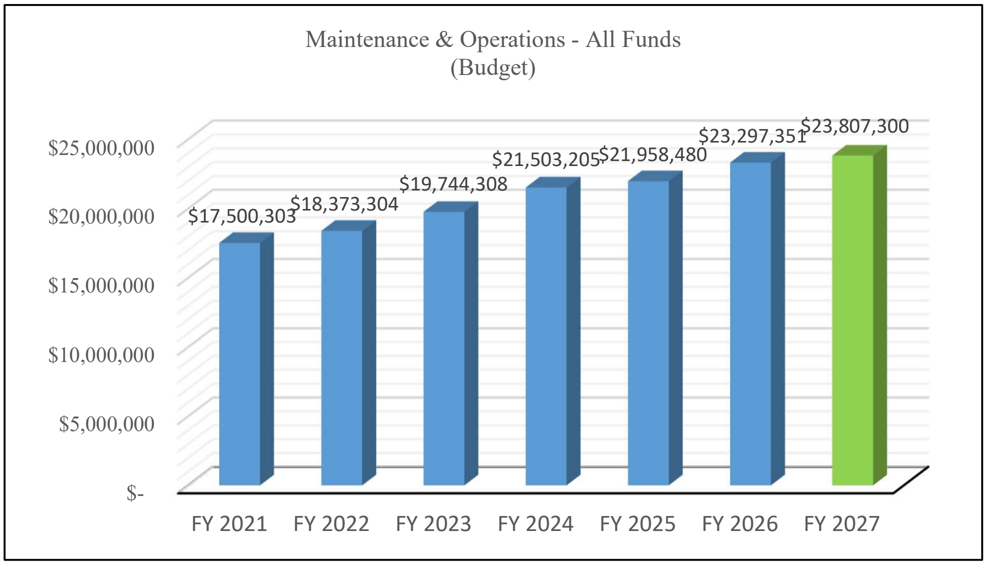
The City has a philosophy of adding full-time employees only when "need" and "sustainability" can be demonstrated. The City has an estimated population of 57,077. Based on that estimate, it has 6.2 employees per 1,000 of population. However, as the regional and urban center for a geographic area having a population of nearly 275,000, the City's daily census population is estimated to exceed 115,000. This daily increase causes the number of City employees per 1,000 of population to drop to 3.07.



For FY 2027, a net total of 2.5 Full-Time Equivalents are added to the budget. These additions bring the FTE count for the City of Twin Falls to 356.5. Below are the other increased expenditures associated with personnel in the FY 2027 budget: 3.0% performance-based salary adjustment for all employees, 3.0% increase to general salary table, and no increase in funding for health care insurance premiums

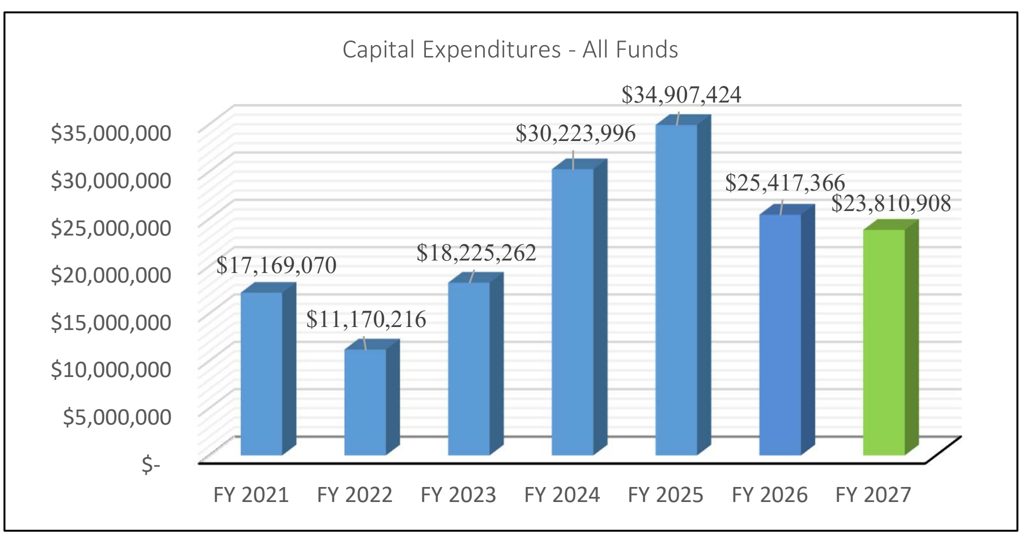
Maintenance and Operations in All Funds

This category includes funding for a wide range of typical activities, including office supplies, fuel, utilities, travel, training, uniforms, building/equipment repair and maintenance, and expenditures for durable goods. The City makes allocations in these areas based on actual expenditures from previous fiscal years, economic trends, and the municipal cost index. The FY 2027 budget allocates $23,807,300 to cover expenses associated with maintenance and operations. In comparison, the allocation for FY 2026 was $23,297,351. This is an increase of $509,949 (2.19%) across all funds.



Capital Expenditures in All Funds

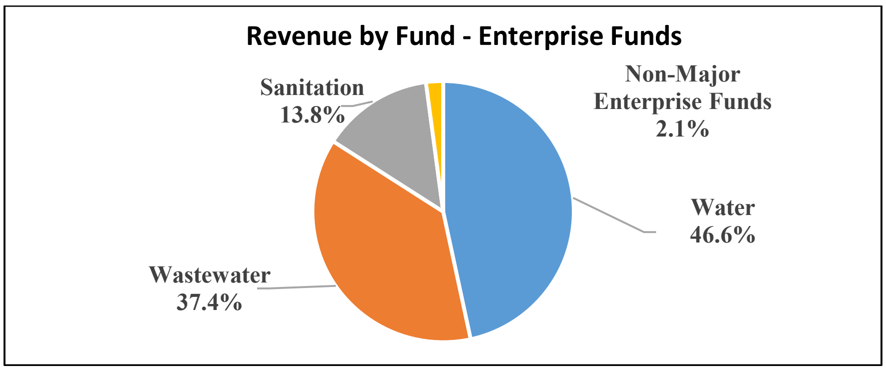
Capital improvements are investments made in our infrastructure. Six of the eight primary focus areas in the City of Twin Falls 2030 Strategic Plan are considered "capital dependent." Capital financing is necessary for the ongoing development, expansion, maintenance, and repair of these capital assets, recognizing the critical value of civil infrastructure to the economic, aesthetic, and functional viability of the City. In total, the FY 2026 budget allocates $25,424,866 to fund needed, critical, and desired capital improvements, one-time equipment purchases and projects, and community amenities. Compared to the FY 2025 budget of $34,907,424, this is a decrease of $9,482,558 (27.16%).



Enterprise Fund Expenditures and Revenue Overview
Enterprise Funds manage services funded by user fees, aiming to cover operational costs and capital asset maintenance. At the fiscal year's end, any net income or loss adjusts the fund's net assets, which must remain within the fund unless the City Council decides otherwise.

The City operates five distinct Enterprise Funds: Water (including supply, distribution, irrigation, and utility services), Wastewater (collection and treatment), Sanitation, Dierkes Lake/Shoshone Falls, and Common Area Maintenance. This budget message primarily addresses the three largest: Water, Wastewater, and Sanitation. The smaller funds are detailed in the budget document.

Enterprise Funds account for $30.86 million (33.14%) of the $93.12 million total revenues in the FY 2026 budget. Enterprise Fund cash reserves budgeted for use equal $5.13 million of the $8.18 million total for all funds. Combining revenues and reserves brings total funding for Enterprise Funds to $35.99 million (35.52%) of the $101.30 million total. The majority of funding, or 80.93%, is from User Fees. The other sources of funding include fines, investment earnings, miscellaneous income, and interfund transfers.



Enterprise Fund Revenue Overview
Enterprise Funds account for services that are primarily funded through user fees rather than property taxes. These funds are intended to operate in a business-like manner, with revenues covering the cost of daily operations, system maintenance, capital improvements, and long-term asset replacement. Any annual net income or loss remains within the respective fund and is used to support future operational and capital needs unless otherwise directed by the City Council.

The City maintains five Enterprise Funds: Water, Wastewater, Sanitation, Dierkes Lake/Shoshone Falls, and Common Area Maintenance. The Water Fund supports water supply, distribution, irrigation, and utility operations, while the Wastewater Fund is responsible for collection and treatment services. The Sanitation Fund provides solid waste collection and disposal services. Together, these three funds represent the largest enterprise operations within the City and account for the majority of enterprise fund revenues, expenditures, and capital investments. Information regarding the Dierkes Lake/Shoshone Falls and Common Area Maintenance funds is provided in greater detail within the budget document.

Water Fund
The Water Fund supports the City's water supply, distribution, pressurized irrigation, and utility billing operations. Following the payoff of the 2010B Water Bond, the FY 2027 budget no longer includes debt service payments, as the final bond obligation was retired. Total budgeted revenues and reserves for the Water Fund are $15.243 million, an increase of $854,917, or 5.94%, from the FY 2026 budget of $14.388 million. While the retirement of debt strengthens the fund's long-term financial position, the City continues to face significant infrastructure and maintenance needs. To help fund critical system improvements and preserve long-term reliability, the FY 2027 budget includes a 5% water rate adjustment. Additionally, staff

is exploring the possibility of requesting the City Council consider placing a water revenue bond in the amount of $45 million to $60 million on the May or November 2027 ballot.

Wastewater Fund
The Wastewater Fund supports the collection, treatment, and disposal of wastewater generated throughout the community. Maintaining a reliable wastewater system requires ongoing investment in infrastructure rehabilitation, regulatory compliance, and system capacity improvements. To support these needs and maintain compliance with bond covenant requirements, wastewater user rates were increased by 5% for FY 2027. Total budgeted revenues and reserves are $12.746 million, a decrease of approximately $3.641 million, or 22.2%, compared to the FY 2026 budget of $16.387 million. The decrease is due to the City decision to use less cash reserves from this fund this fiscal year. Despite the decrease in overall budgeted resources, the fund remains focused on protecting critical infrastructure and ensuring the long-term sustainability of the wastewater system.

Sanitation Fund
The Sanitation Fund supports the City's solid waste collection and recycling programs. Since FY 2023, sanitation user rates have remained unchanged, reflecting the fund's stable financial condition and the City's commitment to managing costs efficiently. In FY 2026, the City bid its sanitation service contract. At the time this budget was developed, negotiations and the scope of services had not been finalized. However, based on the bid received, the City Manager is projecting the cost of this service to Twin Falls City residents will decrease. Budgeted revenues and reserves total $4.425 million in FY 2027, a decrease of approximately $129,158, or 2.84%, compared to the FY 2026 budget. The fund continues to provide reliable sanitation and recycling services while maintaining the equipment, facilities, and operational resources necessary to meet community needs.

Financial Condition and Reserve Position
The City of Twin Falls' strong financial condition is built upon a longstanding commitment to conservative budgeting, prudent financial management, and strategic reserve planning. Adequate reserves provide the organization with the flexibility to respond to economic uncertainty, unexpected emergencies, infrastructure failures, and fluctuations in revenue without disrupting essential public services. Recognizing the importance of financial resilience, the City maintains a reserve policy requiring a minimum of three months of operating reserves in tax-supported funds and two months in enterprise funds. This policy exceeds the Government Finance Officers Association's (GFOA) recommendation that local governments maintain unrestricted reserves equal to at least two months of operating expenditures or revenues. Maintaining reserve levels above industry standards strengthens the City's ability to manage risk, address unforeseen challenges, and preserve long-term financial stability.

This disciplined approach to financial stewardship continues to position the City for success. At the conclusion of FY 2025, the City reported an audited fund balance and net position of $115,652,588, including $71,363,730 in Governmental Funds, $43,817,978 in Enterprise Funds, and $470,880 in Internal Service Funds. While these figures provide a useful measure of the City's overall financial strength, the most meaningful analysis focuses on the major operating funds that support daily service delivery and critical community investments. The following table highlights the reserve position of those key funds and demonstrates the City's continued commitment to fiscal sustainability, responsible stewardship of public resources, and maintaining the financial capacity necessary to support both current operations and future community needs.

At the conclusion of FY 2025 and after committing funding through June 2026 for future, critical projects described in several long-range facility planning documents, the City has an estimated $38.891 million of unrestricted cash reserves in all funds.

	Unrestricted Fund Balance	Restricted/ Committed	Available Balance
General Fund	$ 11,941,346	$ 11,908,221	$ 33,125
Street Fund	$ 17,550,949	$ 5,622,884	$ 11,928,065
Airport Fund	$ 3,532,855	$ 776,169	$ 2,756,686
Capital Improvement Fund	$ 22,313,883	$ 12,130,820	$ 10,183,063
Water Fund	$ 16,794,801	$ 8,440,673	$ 8,354,128
Wastewater Fund	$ 24,056,202	$ 18,419,940	$ 5,636,262
Sanitation Fund	$ 562,082	$ 562,082	$ -
Total	$ 96,752,118	$ 57,860,789	$ 38,891,329

At the end of FY 2027, the City is expected to surpass the minimum reserve requirements for all major Government-Type and Enterprise-Type Funds. These reserve funds generate interest, improve cash flow, and provide a financial cushion for unexpected expenses or emergencies. As a non-recurring revenue source, beginning fund balances are allocated solely for capital or other one-time expenditures.

Impacts on our Citizens.

The FY 2027 budget relies on property taxes to raise 53.20% of the funds needed to support municipal operations in the Governmental and Tax Supported Funds. The budget includes the statutorily allowed three percent (3%) property tax increase ($984,689) as provided for in Idaho Code §63-802, plus revenue from the growth formula ($473,951), and the equivalence of one-percent revenue ($342,816) from the City's forgone balance. The City's projected tax rate for FY 2027 is expected to decrease to $5.05/$1,000 of taxable value from $5.06/$1,000 (FY 2026). Based on the median value of an owner-occupied home, this will create an estimated annual property tax increase of $42.07. It is anticipated total property tax collections for FY 2027 will be $34,624,436, or $1,728,313 more than the FY 2026 total of $32,896,123.

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 $4.71/$1,000 (FY 2024) of taxable value. The average of the tax rate assessed over the course of the last seven fiscal years (2020-2026) is $5.67/$1,000 of taxable value. It is important to recognize the tax rate does not necessarily indicate an individual's tax burdens. 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.

	FY 25-26 Adopted Budget	FY 26-27 Proposed Budget	Variance
Property Tax	Tax Rate: $5.06/$1,000 of taxable value	Tax Rate: $5.03/$1,000 of taxable value	Tax Rate: -$0.03/$1,000 of taxable value
Median Value of Owner-Occupied Home: FY 2027 - $372,088 (January 2026) FY 2026 - $363,286 (January 2025)	**$1,205.73** *(annual)* **$100.48** *(monthly)*	**$1,242.85** *(annual)* **$103.57** *(monthly)*	**$37.13** *(annual)* **$3.09** *(monthly)*
Utility Bills			
Average Residential Customer Consumption of:			
Water - 18,000 gallons	$54.49	$57.21	$2.72
Sewer - 12,000 gallons	$34.05	$35.75	$1.70
Sanitation & Recycling	$20.11	$12.32	-$7.79
Total Utility Bills	$108.65	$105.28	-$3.37
Monthly Total of Property Tax and Utility Bills	**$209.13**	**$208.85**	**-$0.28**

Approval

Approving the Preliminary Budget for the 2026-2027 Fiscal Year and setting the public hearing date of August 27, 2026 requires a simple majority (50%+1) of the members in attendance at this meeting.

The approval of the preliminary budget will set the maximum budget, or spending cap, for the City of Twin Falls for FY 2027. Only reductions in expenditures can be made from this point forward.

Final adoption of Appropriations Ordinance will be scheduled to occur on that same evening as the public hearing – August 24, 2026.

Budget Impact:

There are no current budgetary or financial impacts from the conversation. From this process, we will establish the Fiscal Year 2026-2027 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 2026-2027 can be found online.