Twin Falls City Council
Agenda

Monday, July 6, 2020, 5:00 PM

City Council Chambers
203 Main Avenue East- Twin Falls, Idaho

Members: Suzanne Hawkins, Craig Hawkins, Nikki Boyd, Shawn Barigar, Gregory Lanting, Christopher Reid, Ruth Pierce

1) CALL MEETING TO ORDER/CONFIRMATION OF QUORUM
2) PLEDGE OF ALLEGIANCE
3) PROCLAMATIONS: None
4) CONSENT CALENDAR
   a) **ACTION ITEM**: Request to approve the June 29, 2020, City Council Minutes
      By: Amy Luna, Finance Administrative Assistant
   b) **ACTION ITEM:** Request to approve "Latino Fest".
      By: Ryan Howe, Twin Falls Police Department
   c) **ACTION ITEM:** Requst to approve the Findings of Fact and Conclusion of Law for:
      City of Twin Falls Special Use Permit
      GO QOZ Twin Falls 660 LLC ZDC ZDA
      By: Jonathan Spendlove, Planning & Zoning Director
5) ITEMS OF CONSIDERATION
   a) **PRESENTATION:** Presentation by Joshua W. Kern M.D., Vice President of Medical Affairs, St. Luke's Health System.
      By: Travis Rothweiler, City Manager
   b) **ACTION ITEM:** Consideration of a U.S. Dept. of Transportation Small Community Air Service Grant Offer in the amount of $900,000.
      By: William Carberry, Airport Manager
   c) **PRESENTATION:** A presentation of the City Manager's Recommended Budget for FY 2021 followed by citizen input.
      By: Travis Rothweiler, City Manager
6) GENERAL PUBLIC INPUT: To provide public input to the City Council please email to: Citizeninput@tfid.org
7) ADVISORY BOARD REPORT/ANNOUNCEMENTS
8) PUBLIC HEARINGS: None
9) ADJOURNMENT

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

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.

Twin Falls City Council
Minutes

Monday, June 29, 2020, 5:00 PM

City Council Chambers
203 Main Avenue East- Twin Falls, Idaho

1) CALL MEETING TO ORDER/CONFIRMATION OF QUORUM

Present: Mayor Suzanne Hawkins, Vice Mayor Ruth Pierce, Council Member Craig Hawkins, Greg Lanting, Christopher Reid & Nikki Boyd.

Absent: Council Member Shawn Barigar

Staff Present: City Manager Travis Rothweiler, Deputy City Manager Mitch Humble, City Attorney Shayne Nope, Police Chief Craig Kingsbury, Sergeant Ryan Howe, P&Z Director Jonathan Spendlove, City Planner Lisa Strickland, Public Information Officer Joshua Palmer, Help Desk Technician Kim Hafer, Finance Administrative Assistant Amy Luna.

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

2) PLEDGE OF ALLEGIANCE

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

3) PROCLAMATIONS: None

4) CONSENT CALENDAR

Council Member Reid asked for an explanation of the "Freedom is the Cure" rally.

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

a) **ACTION ITEM**: Request to approve the Accounts Payable for June 18-24, 2020.
b) **ACTION ITEM**: Request to approve the Wells Fargo Credit Commercial Card for May 2020.
c) **ACTION ITEM**: Request to approve the June 22, 2020, City Council Minutes.
d) **ACTION ITEM:** Request to approve the “Freedom is the Cure” rally.
e) **ACTION ITEM:** Request to approve the 10th Annual Optimist Club Wings and Things Ultimate Tailgate Challenge.

5) ITEMS OF CONSIDERATION

a) **PRESENTATION:** Presentation by Joshua W. Kern M.D., Vice President of Medical Affairs, St. Luke's Health System.

Mayor Hawkins introduced Dr. Kern, Vice President of Medical Affairs, St. Luke's Health System.

Discussion ensued on the following:
Council Member Reid: Asked about the "viral load".
Mayor Hawkins: Asked about "Not all tests being equal".

Mayor Hawkins thanked Dr. Kern for his presentation.

b) **PRESENTATION:** Title 10 Code Rewrite Update

P&Z Director Spendlove made a presentation of the Title 10 Code Rewrite.

Discussion ensued on the following:
Council Member Lanting: Expressed concerns on notifications for Conditional Uses and the requirements of drive thru.
Mayor Hawkins: Thanked Mr. Spendlove for trying to streamline the process but agrees with Council Member Lanting on the drive-thru issue.
Mayor Hawkins: Asked for clarification on the Center Line Setbacks. What is the negative to getting rid of this?
Council Member Lanting: Talked about the setback thoughts in the 1980's. Is in favor of changing this.
Vice Mayor Pierce: Asked about Realtor signage. Where do garage sale signs fall in this?
Council Member Lanting: Asked about the campaign signs.

Council Member Reid thanked Mr. Spendlove for his work on this.

6) **GENERAL PUBLIC INPUT: None**

7) **ADVISORY BOARD REPORT/ANNOUNCEMENTS**

City Manager Rothweiler announced that the City Offices will be closed on July 3, 2020, in celebration of Independence Day.

The 4th of July fireworks display, that the City is sponsoring, will be held at CSI on July 4th at dusk.

Budget discussions will start on July 6, 2020 and will continue for approximately 8 weeks and then the Council will vote on the budget on August 24, 2020. Copies will be released to the public each Tuesday, after the City Council Meetings.

Idaho State Legislature has passed ***House Bill 614,*** which prohibits the use of certain electronic devices while driving a motor vehicle, goes into effect on July 1, 2020.

Mayor Hawkins announced that the City Band will start up on Thursday, July 2, 2020.

Police Chief Kingsbury discusses the ***Back the Blue*** event that takes place at 6:00 pm on Wednesday, July 1, 2020, in the City Park.

8) **PUBLIC HEARINGS:**

a) **ACTION ITEM:** Request for a Special Use Permit to allow a well house and transmission main, owned and operated by the City of Twin Falls, on property located at 348 Oriole Ave c/o Mark Holtzen, City Engineer on behalf of the City of Twin Falls. (PZ20-0067)

P&Z Director Spendlove presented a request for a Special Use Permit to allow a Well house and transmission main, owned and operated by the City of Twin Falls, on property located at 348 Oriole Ave c/o Mark Holtzen, City Engineer on behalf of the City of Twin Falls. (PZ20- 0067)

Discussion ensued on the following:
Council Member Lanting: What is the well house for?
Mayor Hawkins: how much noise would be emitted with this well house? Council Member Lanting: Would the fencing have screening in it?

Public Hearing Opened: 6:15 pm
Public Hearing Closed: 6:16 pm

MOTION: Council Member Lanting moved to approve the request for a Special Use Permit to allow a Well house and transmission main, owned and operated by the City of Twin Falls, on property located at 348 Oriole Ave c/o Mark Holtzen, City Engineer on behalf of the City of Twin Falls. (PZ20-0067). **Council Member Reid** seconded the motion. Roll call vote showed all members present voted in favor of the motion. 6 to 0.

9) ADJOURNMENT
The meeting adjourned at 06:16 PM

____
Amy Luna, Finance Administrative Assistant

Date: Monday, July 6, 2020, Council Meeting

To: Honorable Mayor and City Council

From: Sergeant Ryan Howe, Twin Falls Police Department

Request:

Consideration of a request to approve "Latino Fest".

Time Estimate:

Staff recommends this request be placed on the Consent Calendar.

Background:

Adair Tello, representing the South-Central Idaho Hispanic Chamber of Commerce, has requested use of the Downtown Commons to host "Latino Fest" on August 8, 2020 from 4:00 pm until 10:00 pm with setup beginning at 10:00 am.

The event organizer has requested the closure of Main Avenue East and South from Shoshone Street to Idaho Street and the closure of Eden Street from the alley of 2nd Avenue South to 2nd Avenue East. This closure will occur at 10:00 am. The event organizer will be required to notify the affected businesses due to this closure at least 14 days in advance of the event.

The event organizer will be providing additional trash receptacles and portable toilets for the event.

This event will consist of dancers and musical artists to include live and recorded music. Organizers anticipate over 2,000 attendees during the event.

Alcohol will be sold in a designated beer area. La Campesina will secure a catering permit for the event. Wristbands will be provided and utilized for those who have had identification checked. They will also be required for those consuming alcohol. Four Officers from the Twin Falls Police Department or Twin Falls County Officers will be required for security due to the alcohol sales. This security will be at the expense of the organizer.

The event organizer may be required to submit a health and safety plan to the Twin Falls Parks Department. As with other events, this event will be subject to cancellation, postponement or additional safety precautions based on state and local governmental restrictions and regulations at the time of the event.

Approval Process:

Consent by the City Council.

Budget Impact:

This event will not have any budget implications as the security and cleanup will be required by the event organizer.

Regulatory Impact:

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

BEFORE THE PLANNING & ZONING COMMISION OF THE CITY OF TWIN FALLS

In Re:	)	
	)	
Special Use Permit, Application,	)	FINDINGS OF FACT,
	)	
	)	CONCLUSIONS OF LAW,
City of Twin Falls	)	
c/o Mark Holtzen, City Engineer	)	
Applicant(s)	)	AND DECISION

This matter having come before the City Council of the City of Twin Falls, Idaho on Monday, June 29, 2020 for public hearing pursuant to public notice as required by law for a Special Use Permit to allow a well house and transmission main, owned and operated by the City of Twin Falls, on property located at 348 Oriole Avenue, and the City Council having heard testimony from interested parties being fully advised in the matter, now makes the following

FINDINGS OF FACT

1. Applicant has applied for a Special Use Permit to allow a well house and transmission main, owned and operated by the City of Twin Falls, on property located at 348 Oriole Avenue

2. All legal requirements for notice of public hearing have been met with advertisement taking place on the following date: June 11, 2020

3. The property in question is zoned R4 pursuant to the Zoning Ordinance of the City of Twin Falls. The property is designated as Town Neighborhood in the duly adopted Comprehensive Plan of the City of Twin Falls.

4. The existing neighboring land uses in the immediate area of this property are: to the north, Residential; to the south, Undeveloped/Residential; to the east; Coulee/Undeveloped; and to the west, Residential.

5. Relevant criteria and standards for consideration of this application are set forth in Sections 10-1-4, 10-1-5, 10-4-5, 10-7-19, 10-11-1 through 8, and 10-13, Twin Falls City Code.

Based on the foregoing Findings of Fact, the Twin Falls City Council hereby makes the following:

CONCLUSIONS OF LAW

1. The application for a Special Use Permit to allow a well house and transmission main, owned and operated by the City of Twin Falls, on property located at 348 Oriole Avenue is consistent with the purpose of the R4 Zone, and is not detrimental to any of the outright permitted uses or existing special uses in the area.

2. The proposed use does constitute a special use as established by zoning requirements for the zone involved as required by Twin Falls City Code 10-13-2.2(D)1.

3. The proposed use will be harmonious with and in accordance with the general objectives or with any specific objective of a comprehensive plan and/or zoning regulations as required by Twin Falls City Code 10-13-2.2(D)2

4. The proposed use will be designed, constructed, operated and maintained to be harmonious and appropriate in appearance with the existing or intended character of the general vicinity and that such use will not change the essential character of the same area as required by Twin Falls City Code 10-13-2.2(D)3.

5. The proposed use will not be hazardous or disturbing to existing or future neighboring uses as required by Twin Falls City Code 10-13-2.2(D)4.

6. The proposed use will not create excessive additional requirements at public cost for public facilities and services and will not be detrimental to the economic welfare of the community as required by Twin Falls City Code 10-13-2.2(D)6.

7. The proposed use will not involve uses, activities, processes, materials, equipment and conditions of operation that will be detrimental to any person, property or to the general welfare by reason of excessive production of traffic, noise, smoke, fumes, glare or odors as required by Twin Falls City Code 10-13-2.2(D)7.

8. The proposed use will have vehicular approaches to the property which shall be so designed as not to create an interference with traffic on surrounding public thoroughfares as required by Twin Falls City Code 10-13-2.2(D)8.

9. The proposed use will not result in the destruction, loss or damage of a natural, scenic or historic feature of major importance as required by Twin Falls City Code 10-13-2.2(D)9.

10 The proposed use is a proper use in the R4 Zone, subject to the conditions which are attached as "Exhibit No. A", and incorporated by reference as though fully set forth herein.

11. The application for a Special Use Permit to allow a well house and transmission main, owned and operated by the City of Twin Falls, on property located at 348 Oriole Avenue should be granted, subject to all applicable

requirements of the Zoning Ordinance, Adopted Standard Drawings and City code of the City of Twin Falls, incorporated by reference as though fully set forth herein.

Based on the foregoing Conclusions of Law, the Twin Falls City Council hereby enters the following

DECISION

1. The application for a Special Use Permit to allow a well house and transmission main, owned and operated by the City of Twin Falls, on property located at 348 Oriole Avenue is hereby granted.

2. The applicant shall comply with all applicable requirements of the Adopted Standard Drawings, the Zoning Ordinance, and the City Code of the City of Twin Falls, and incorporated by reference as though fully set forth herein.

3. The Special Use Permit shall be issued, as presented.

MAYOR – CITY OF TWIN FALLS

DATE

APPLICATION # PZ20-0067

CITY OF TWIN FALLS
PLANNING AND ZONING DEPARTMENT
203 Main Avenue East
P.O. Box 1907
Twin Falls, Idaho 83303-1907
Phone: 208-735-7267 Fax: 208-736-2641

SPECIAL USE PERMIT

Permit No. PZ20-0067

Granted by the Twin Falls City Council, as presented, on **June 29, 2020** to **the City of Twin Falls c/o Mark Holtzen, City Engineer** whose address is **203 Main Avenue East** to allow a well house and transmission main, owned and operated by the City of Twin Falls, on property located at 348 Oriole Avenue and legally identified with the following Parcel ID: **RPT425500000C0.**

Mayor, City of Twin Falls

Date

This permit is for zoning purposes only. **Other permits such as sign, building, electrical or plumbing permits, etc. may be required. All facilities must comply with all Building and Fire Code Regulations.**

Please contact the Building Department at 735-7238 for further information.

BEFORE THE CITY COUNCIL OF THE CITY OF TWIN FALLS

In Re:	)	
	)	
Zoning District Change &	)	
Zoning Development Agreement,	)	FINDINGS OF FACT,
Application,	)	
	)	CONCLUSIONS OF LAW,
GO QOZ Twin Falls 660 LLC,	)	
c/o Patrick Hugens	)	AND DECISION
Applicant(s)		

This matter having come before the City Council of the City of Twin Falls, Idaho on **Monday, June 8, 2020** for public hearing pursuant to public notice as required by law for a Zoning District Change and Zoning Development Agreement from **R-4 and R-6, P-3 Parking and Professional Office Overlays** to **"Masqueray Lofts R-6 PRO ZDA"** for property located **at 660 Shoshone Street East, 137 7th Avenue East, and 155 7th Avenue East** and the City Council having heard testimony from interested parties, and being fully advised in the matter, now makes the following

FINDINGS OF FACT

1. Applicant has applied for a Zoning District Change and Zoning Development Agreement from **R-4 and R-6, P-3 Parking and Professional Office Overlays** to **"Masqueray Lofts R-6 PRO ZDA"** for property located **at 660 Shoshone Street East, 137 7th Avenue East, and 155 7th Avenue East.**

2. All legal requirements for notice of public hearing have been met with advertisement taking place on the following dates: **April 9, 2020 & May 21, 2020.**

3. The property in question is zoned **R-4, R-6, with PRO & P-3 Overlays** pursuant to the Zoning Ordinance of the City of Twin Falls. The property is designated as **Downtown** in the duly adopted Comprehensive Plan of the City of Twin Falls.

4. The existing neighboring land uses in the immediate area of this property are: to the north, **Religious Facility and Office**; to the south, **School and Residential**; to the east, **Office**; to the west, **City Park**.

Based on the foregoing Findings of Fact, the City Council hereby makes the following

CONCLUSIONS OF LAW

1. The application for a Zoning District Change and Zoning Development Agreement from **R-4 and R-6, P-3 Parking and Professional Office Overlays** to **"Masqueray Lofts R-6 PRO ZDA"** for property located **at 660 Shoshone Street**

East, 137 7th Avenue East, and 155 7th Avenue East is found to be inconsistent with the purpose of the **Downtown** Zone due to its size and impact on existing parking infrastructure; and is detrimental to the outright permitted uses or existing special uses in the area.

2. The proposed use thereby found to be inconsistent with the provisions of the Comprehensive Plan and Zoning Ordinance of the City of Twin Falls.

3. The proposed use of a multi-story apartment complex, and corresponding **"Masqueray Lofts R-6 PRO ZDA",** is found to be an improper use in the existing Zoning Districts.

4. Public services may not be available at the time of development, depending upon the speed of development of this and other subdivisions and the ability of the City to obtain additional water and/or sewer capacity. A rezone of this property is not a guarantee city utilities are available. A will-serve letter will be issued upon review and approval for a final plat and/or a phase of a final plat.

5. The application for a Zoning District Change and Zoning Development Agreement from **R-4 and R-6, P-3 Parking and Professional Office Overlays** to **"Masqueray Lofts R-6 PRO ZDA"** for property located **at 660 Shoshone Street East, 137 7th Avenue East, and 155 7th Avenue East** should therefore be denied.

Based on the foregoing Conclusions of Law, the Twin Falls City Council hereby enters the following

DECISION

1. The application for a Zoning District Change and Zoning Development Agreement from **R-4 and R-6, P-3 Parking and Professional Office Overlays** to **"Masqueray Lofts R-6 PRO ZDA"** for property located **at 660 Shoshone Street East, 137 7th Avenue East, and 155 7th Avenue East** is hereby denied by City Council by a vote of 0 in favor and 6 in denial of the application, as presented.

MAYOR - TWIN FALLS CITY COUNCIL

DATE

APPLICATION #: **PZ20-0014**

July 6, 2020, City Council Meeting

To: Honorable Mayor and City Council

From: Bill Carberry, Airport Manager

Request: Consideration of a Dept. of Transportation Small Community Air Service Grant Offer in the amount of $900,000.

Time Estimate: Approximately 5 minutes with additional time for questions

Background: On May 28, 2019, the City Council approved an agreement with air service consultant Mark Sixel to prepare an application for a grant award from the Dept of Transportation's Small Community Air Service Development Program. The major objective of the Small Community Program is to help communities secure enhancements that will be responsive to their air transportation needs on a long-term basis after the financial support of the grant has ended. One of the most effective uses of these grants is through the use of revenue guarantees for an airline to expand or develop new service combined with a marketing initiative. The Airport received word in February that, based on the strong financial commitment and numerous support letters from the community, Twin Falls was selected to receive a $900,000 grant.

The Airport has partnered with the Chamber of Commerce, and several community businesses, which have pledged $152,000 in match dollars, to explore the development of a new route to Denver International Airport through United Airlines. The project will include a $900,000 SkyWest minimum revenue guarantee (MRG) program to help abate financial risk for SkyWest during the route's initial start-up period. Additionally, the project will include a significant marketing campaign to help promote the new Denver service. The details are yet to be worked out, however, the first order of business is to accept the grant offer from the DOT.

Conversations with SkyWest (United Express) are focused on exploring opportunities for the new route in 2021. Reasons being, Denver International Airport will be doing construction on a significant number of terminal gates through next spring. With limited gate access, connecting opportunities become more limited until construction is complete. This limitation, coupled with the uncertainty associated with the financial recovery from the current health pandemic, have framed the outlook.

Approval Process: Acceptance of the grant offer will take a majority vote of the Council.

Budget Impact: This is a reimbursable grant program requiring the City to process payments and maintain accounting of the project. The Airport will receive 85.5% of all reimbursable expenses from the grant with the local business match/pledges (14.5%) reconciling 100% of expenditures. The Airport has also budgeted $20,000 in marketing program in-kind assistance over the life of the grant. Denver International Airport has also pledged significant marketing in-kind assistance with the route.

Regulatory Impact: The grant offer maintains the standard grant assurances associated with federal grants. The City Attorney has reviewed the grant offer.

Conclusion: Staff recommends the City Council approve acceptance of the $900,000 grant offer from the U.S. Dept. of Transportation and authorize the Mayor to sign the agreement.

Attachments: Dept. of Transportation Small Community Air Service Grant Offer.

GRANT AWARD AND AGREEMENT BETWEEN THE U.S. DEPARTMENT OF TRANSPORTATION AND THE CITY OF TWIN FALLS, ID, ACTING FOR THE COMMUNITY OF TWIN FALLS, ID, UNDER THE SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM

CFDA 20.930 FAIN: 69A34518422070055

DOCKET #: DOT-OST-2019-0071-0055

WHEREAS, The City of Twin Falls, ID (the Sponsor), on behalf of the community of Twin Falls, ID, has applied for a Grant under the Small Community Air Service Development Program; now THEREFORE, the U.S. Department of Transportation (DOT), acting for the UNITED STATES, presents this Grant Award and Agreement (Grant Agreement) to the Sponsor for a grant of up to $900,000 to assist in the Sponsor's efforts to address the air service needs of the community. This Grant Agreement shall be effective on the date of last signature by the Sponsor and DOT (collectively, the Parties). Unless otherwise defined in this Grant Agreement, capitalized terms shall have the meanings assigned to such terms in Section E hereof.

THIS GRANT AWARD AND AGREEMENT IS MADE ON AND SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

A. GENERAL CONDITIONS

1. The maximum obligation of the United States payable under this Grant Agreement shall be $900,000.
2. Payment of the United States' share of the Total Project Cash Costs will be made pursuant to and in accordance with the provisions of such regulations and procedures as DOT may prescribe, including, without limitation, 2 CFR Parts 200 and 1201. Final determination of the United States' share may be based upon a final review of the Total Project Cash Costs and settlement will be made for adjustments to the United States' share of costs.
3. The Sponsor shall carry out and complete the Grant Project without undue delays and in accordance with the terms hereof and pursuant to any regulations and procedures as DOT may prescribe.
4. This Grant Agreement constitutes an obligation of federal funding. The grant awarded hereunder shall expire and the United States shall not be obligated to pay any part of the costs of the Grant Project unless the Sponsor signs this Grant Agreement on or before **July 15, 2020**, or such subsequent date as may be prescribed in writing by DOT. If the Sponsor makes any substantive changes to this Grant Agreement, such changes shall constitute amendments to this Grant Agreement and further action on the part of DOT is required in order for DOT to accept such amendments to the initial grant award obligation. If not signed and returned to DOT without modification by the Recipient on or before **July 15, 2020**, DOT may unilaterally terminate this Grant Agreement.

5. The Sponsor shall take all steps, including litigation, if necessary, to recover Federal funds when DOT determines, after consultation with the Sponsor, that such funds have been spent fraudulently, wastefully, or in violation of Federal laws, or misused in any manner in any project upon which Federal funds have been expended. For the purposes of this Grant Agreement, the term "Federal funds" means funds however used or disbursed by the Sponsor that were originally paid pursuant to this Grant Agreement.
6. The Sponsor shall retain all documents relevant to this Grant Agreement and the Grant Project for a period of three (3) years after completion of all projects undertaken pursuant to the Grant Agreement and receipt of final reimbursement from the U.S. Treasury, whichever is later. It shall furnish DOT, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share shall be approved in advance by DOT.
7. The United States shall not be responsible or liable for damage to property or injury to persons that may arise from, or be incident to, compliance with this Grant Agreement.
8. The Sponsor shall ensure compliance with Federal regulations requiring conduct of a Federally-approved audit of any expenditure of funds of $750,000 or more in a year in Federal awards.
9. The provisions of 2 CFR 200.317–200.326 (Procurement Standards), as implemented and modified by 2 CFR 1201, shall apply to the extent that the Sponsor procures property and services in carrying out the Grant Project.

B. SPECIAL CONDITIONS

1. Subject to the terms set forth in this Grant Agreement, DOT reserves the right to terminate the Grant Agreement, and DOT's obligations hereunder, on ninety (90) days' prior written notice, unless otherwise agreed between the Sponsor and DOT, if any of the following occurs:
    a. The Sponsor fails to provide the local contribution as provided in its Grant Application, or alternatives approved by DOT;
    b. The Sponsor fails to provide any In-Kind Contributions that are provided in its Grant Application, or alternative In-Kind Contributions approved in writing by DOT;
    c. The Sponsor does not meet the conditions and obligations specified under this Grant Agreement; or
    d. DOT determines that termination is in the public interest.
2. Either Party may seek to amend or modify this Grant Agreement on thirty (30) days' prior written notice to the other Party. The Grant Agreement will be amended or modified only on mutual written agreement by both parties.
3. At any time, on thirty (30) days' prior written notice, the Sponsor may request termination of this Grant Agreement.

4. Subject to the terms set forth in this Grant Agreement, and unless otherwise agreed between the Sponsor and DOT, **this Grant Agreement will expire on January 9, 2026.** **NOTE:** The three-year limitation set forth in Title 49 U.S.C. 41743(d)(1), applicable only to revenue guarantees, begins when subsidized service commences.
5. Should the Sponsor be unable to complete its Grant Project within the time initially allocated to it in this Grant Agreement, the Sponsor may obtain a self-initiated one-year extension of this Grant Agreement if the Sponsor files with the Department, no later than sixty (60) days prior to the original expiration date of this Grant Agreement, a written request for such extension. Consistent with the provisions of 2 CFR § 200.308(d)(2), such request must include a description of the supporting reasons for the extension. **NOTE**: Access to remaining federal funding is not a sufficient reason for a self-initiated extension. Supporting reasons must be substantive in nature. If the supporting reasons are in the public's best interests, the Department will acknowledge receipt of the request filed under this subsection of the Grant Agreement, and this Grant Agreement will then expire one calendar year after the expiration date currently set forth in this Grant Agreement.

C. PROPOSAL SPECIFIC CONDITIONS

1. Sponsor: The City of Twin Falls, ID, designated by the community of Twin Falls, ID, as the legal Sponsor under the Small Community Air Service Development Program, is a government entity that shall administer the Grant according to the terms and conditions set forth in this Grant Agreement.

Sponsor Contact:	Other Grant Project Contact:
Name: Mr. Bill Carberry	
Title: Airport Manager	
Company: Magic Valley Regional Airport	
Address: 492 Airport Loop Twin Falls, ID 83301	
Phone: (208) 733-5215	
Fax: (208) 736-1505	
Email: bcarberry@tfid.org	
DUNS Number: 1561647580000	
TIN Number: 82-6000270	

2. Scope of the Grant Project

Grant Project: Minimum revenue guarantee (MRG), associated marketing program and start-up cost offsets to recruit, initiate and support daily non-stop air service to Denver International Airport (DEN).

3. Funding
    a. Total Project Cash Costs: $1,052,000
       Federal Share: $900,000
       Local Share: $152,000

       In-Kind Contribution: $520,000

    b. Payment by DOT shall not exceed **$900,000** for the Grant Project's Total Project Cash Costs, which are costs arising from the Grant Project described in Section 2 above.
    c. The community will provide any In-Kind Contributions described in its Grant Application, or alternative In-Kind Contributions approved by DOT, toward implementation of the Grant Project.
    d. **The Sponsor shall pay the costs associated with the Grant Project prior to seeking reimbursement from DOT**. If the Sponsor is seeking private contributions to complete the Local Share, the Sponsor is responsible for ensuring that the full Local Share is provided.
    e. To seek reimbursement from DOT, the Sponsor shall submit documentary evidence of all expenditures associated with the Grant Project set forth in Section C.3.b above, and included in the Total Project Cash Costs set forth in Section C.3.a above (those to be covered by the local and/or state contribution, as well as those covered by the Federal contribution) on a monthly basis. DOT will reimburse the Sponsor on a monthly basis for **85.55 percent** of all valid expenditures submitted (the specific Federal share of Total Project Cash Costs is set forth in Sections C.3.a and C.3.b above), subject to Section C.3.c, above, and Sections C.3.f and C.3.g, below. All reimbursement requests to DOT shall include sufficient documentation to justify reimbursement of the Sponsor, including invoices and proof of payment of the invoice. **NOTE**: Expenditures incurred by third parties are not directly reimbursable to such third parties under this grant program. The Legal Sponsor **must have paid all costs** associated with eligible invoices, including costs incurred by third parties, prior to seeking reimbursement from the Department. The Sponsor may **not** seek reimbursement from the Department in any case where a third party (such as, but not limited to, an Economic Development Board, a Visitors' Bureau, or a Chamber of Commerce) has paid for such services instead of the Sponsor. In seeking reimbursements, grant recipients must provide invoices or other evidence of the expenditure, details about the expenditure and how it relates to the grant project, and evidence of payment. In addition, the legal sponsor is required to certify that each

invoice is relevant to the authorized grant project and has been paid. In addition, for grants involving marketing of services conducted under a revenue guarantee, the Sponsor may seek reimbursement only for marketing activities that are market-specific to the city pairs shown in the revenue guarantee agreement with the air carrier, and not for general marketing of the city or airport at issue in this Grant Agreement. Specifically, all marketing materials that are for route-specific grants must display the destination city and/or airport name.

f. Payment of the final ten percent (10%) of the Federal funding for the Grant Project will be made after receipt by DOT of the final report set forth in Section C.4 below.

Section C.3.g shall apply only if this box ☒ is checked.

g. No reimbursement by DOT will be made until the Sponsor has provided DOT with a copy of the revenue guarantee, subsidy, or financial incentive agreement between the Sponsor and air carrier(s), including the cost and revenue bases for the compensation required.

Section C.3.h shall apply only if this box ☒ is checked.

h. At the sole option of DOT, funding may terminate twelve (12) months after the Execution of this Grant Agreement if the Sponsor is unable to execute an agreement with an Air Carrier to provide the new air service described above, unless otherwise agreed between the Sponsor and DOT.

Section C.3.i shall apply only if this box ☒ is checked.

i. At the sole option of DOT, funding may terminate within six (6) months after execution of an agreement with an Air Carrier to provide the new air service described above if the marketing program to support the service has not been developed and implemented, unless otherwise agreed between the Sponsor and the DOT.

Section C.3.j shall apply only if this box ☒ is checked.

j. At the sole option of DOT, funding under this Grant Agreement may terminate if no air service by an Air Carrier has commenced within twelve (12) months after the Execution of this Grant Agreement, unless otherwise agreed between the Sponsor and DOT.

k. If during the term of a revenue guarantee agreement, subsidy agreement, or other financial incentive agreement with the Community, the Air Carrier stops providing the agreed-upon service, DOT will only provide reimbursement to the Grant Recipient for the actual service provided by the Air Carrier under the relevant agreement.

l. The Sponsor shall ensure that the funds provided by DOT are not misappropriated or misdirected to any other account, need, project, line-item, or the like.
m. All requests for reimbursement must be made by the Grant Recipient within sixty (60) calendar days after the date of expiration (see Section B.4) of this Grant Agreement.
n. All expenses for this Grant Project must be incurred by the date of expiration of this Grant Agreement (see Section B.4), unless otherwise agreed between the Sponsor and DOT.
o. Should this Grant Agreement be terminated prior to the expiration date provided herein (see Section B.4), DOT reserves the right to require that the Sponsor return to DOT any of the funds reimbursed for expenses subsequently deemed ineligible.

4. Reports
   a. Grant Project reports, including progress on milestones as set forth in Section 4.b, below, shall be reported to DOT on a semi-annual basis, with reports due to DOT on April 15 and October 15 of each year that the Grant Agreement remains effective. **The first Grant Project report is due on October 15, 2020.**
   b. Project reports shall include the following: (i) brief narrative detailing the status of the Grant Project and the progress being made towards the scope of the Grant Project described in Section C.2; (ii) status report on the hiring of any consultants in conjunction with implementation of the Grant Project; (iii) status report on progress toward completion of any and all In-Kind Contributions committed to implementation of the Grant Project as described in Section C.3.a above and in the Grant Application, or alternative Third-Party In-Kind contributions approved by DOT, including documentation evidencing that In-Kind Contributions were made; (iv) status report on any and all marketing or promotional activities undertaken; (v) status report on any and all contract negotiations with Air Carriers, including any revenue guarantee, subsidy, or financial incentive agreements; and (vi) status report on contract negotiations with other third parties in conjunction with the implementation of the Grant Project.
   c. Final report (in a format to be provided by DOT) of the Sponsor's assessment of the Grant Project shall be made to DOT within three months after expiration of this Grant Agreement or conclusion of the Grant Project, whichever occurs earlier.

5. Sponsor Obligations

Section C.5.a shall apply only if this box ☐ is checked.

a. Within three (3) months following the date of Execution of the Grant Agreement, the Sponsor shall submit to DOT a detailed marketing plan as set forth in the Grant Application, including the types of media to be used, projected expenditures for each marketing component, and timeline for release of the marketing/advertising material.

Section C.5.b shall apply only if this box ☒ is checked.

b. Within six (6) months following the date of execution of an agreement with an Air Carrier for service at the community, the Sponsor shall submit to DOT a detailed marketing plan as set forth in the Grant Application, including the types of media to be used, projected expenditures for each marketing component, and timeline for release of the marketing/advertising material.

c. The Sponsor shall, within fifteen (15) calendar days after their execution, provide DOT with a copy of all agreements executed between the Community and any consultants, Air Carriers, or other parties with respect to the Grant Project. The Sponsor shall, within fifteen (15) calendar days after execution, also provide DOT with notice of any amendment to, or termination of such agreements. The Sponsor shall ensure that all agreements entered into with third parties regarding this grant are consistent with this Grant Agreement and the documents incorporated by reference into the Grant Agreement, and any amendments or modifications executed, pursuant to Section B.

d. The Sponsor shall ensure that the obligations set forth in this Grant Agreement are met. Failure to do so may result in termination of the Grant Agreement by DOT.

D. ASSURANCES

The Sponsor shall execute the attached assurances and certifications (Assurances) in conjunction with its signing of this Grant Agreement and shall ensure compliance by the Grant Recipient with these Assurances and any amendments or modifications thereto. The Assurances are integral parts to this Grant Agreement and are deemed to be incorporated by reference into this Grant Agreement.

E. DEFINITIONS

Air Carrier: A United States-certificated air carrier undertaking to provide air transportation, including, without limitation, scheduled and unscheduled air carriers, regional air carriers, commuter air carriers, and air taxi operators.

Assurances: This term shall have the meaning ascribed to it in Section D of this Grant Agreement.

Community: All parties identified in the Grant Application as participating in the Grant Project, including the Sponsor.

DOT: United States Department of Transportation.

Execution of Grant Agreement: Signing of this Grant Agreement by DOT and the Sponsor.

Federal Share: Federal funds authorized for use by the Grant Recipient in implementing the Grant Project.

Grant Agreement: This written agreement between DOT and the Sponsor describing the scope of the Grant Project and setting forth the terms and conditions of the Community's participation in the Small Community Air Service Development Program, and incorporating by reference (a) all attachments and exhibits to this Grant Agreement, including the Assurances, in their entireties; (b) the Grant Application, except to the extent inconsistent with the terms of this written agreement; and (c) DOT Order 2018-7-10 in its entirety.

Grant Application: The complete document submitted in FY 2019 to DOT by the Community in Docket DOT-OST-2019-0071, including any information submitted in the docket as confidential material.

Grant Project: The scope of the project set forth in Section C.2 of this Grant Agreement.

Grant Recipient: Community receiving the SCASDP grant, including the Sponsor.

In-Kind/Third-Party In-Kind Contribution: Property or services that benefit the Grant Project and that are contributed by non-Federal third parties without charge to the Grant Recipient or a cost-type contractor under the Grant Agreement.

Local Share: Public, community, state, or private funds described in the Grant Application for use in implementing the Grant Project, excluding any In-Kind Contributions (including Third-Party In-Kind Contributions).

Party: DOT and/or the Sponsor, as the context indicates.

Proposal: A proposed project described by the Community in its Grant Application.

Small Community Air Service Development Program (SCASDP): A grant-in-aid financial assistance program originally established under the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), Pub. L. No. 106-181, reauthorized by Vision 100—The Century in Aviation Reauthorization Act, Pub. L. No. 108-176, and the FAA Modernization and Reform Act of 2012, Pub. L. No. 112-95, as amended, and codified in Title 49 U.S.C. § 41743.

Sponsor Obligations: Responsibilities of the Sponsor under this Grant Agreement and those documents incorporated by reference into the Grant Agreement as set forth above (see definition of Grant Agreement).

Sponsor: A government entity and legal sponsor of the Grant Recipient that agrees pursuant to this Grant Agreement to administer and oversee implementation of this Grant Agreement and the fulfillment of the Grant Project.

Total Project Cash Costs: Sum of the Federal and local cash shares contributed toward completion of the Grant Project, excluding any In-Kind Contributions (including Third-Party In-Kind Contributions). Total Project Cash Costs are described in Sections C.3.a and C.3.b of this Grant Agreement.

GRANT AWARD AND AGREEMENT

This Grant Award and Agreement is made in accordance with Title 49 U.S.C. § 41743 and is subject to the terms and conditions of this Grant Agreement and the Assurances attached hereto and incorporated herein.

Executed this ________ day of _________________, 2020.

United States Department of Transportation

(SEAL)

____

Brooke Chapman
Associate Director
Small Community Air Service Development Program

ACCEPTANCE

The undersigned Sponsor agrees to accomplish each element of the Grant Project in compliance with the terms and conditions of this Grant Agreement and the Assurances attached hereto and incorporated herein.

Executed this ________ day of ________________, 2020.

City of Twin Falls, ID
Twin Falls, ID

(SEAL)

By: _____________________________________
Signature of Sponsor's Designated Official Representative

____
Printed Name

____
Title

Attest: _______________________________

Title: _______________________________

CERTIFICATE OF SPONSOR'S ATTORNEY

I, ______________________, acting as Attorney for the Sponsor do hereby certify: That in my opinion the Sponsor is a government entity empowered to enter into the foregoing Grant Agreement under the laws of the State (or Commonwealth) of ________________. Further, I have examined the foregoing Grant Agreement, and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State (or Commonwealth) and Title 49 of the U.S. Code. In addition, for grants involving projects to be carried out on property not owned by the Sponsor or where Sponsor may make payments to others, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement, including the Assurances**,** constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

______________________________	________________________
Signature of Sponsor's Attorney	Date
______________________________	________________________
Printed or Typed Name	Telephone

ATTACHMENT B

GRANT ASSURANCES

TITLE VI ASSURANCE
(Implementing Title VI of the Civil Rights Act of 1964, as amended)

ASSURANCE CONCERNING NONDISCRIMINATION IN FEDERALLY-ASSISTED PROGRAMS AND ACTIVITIES RECEIVING OR BENEFITING FROM FEDERAL FINANCIAL ASSISTANCE

(Implementing the Rehabilitation Act of 1973, as amended, and the Americans With Disabilities Act, as amended)

49 C.F.R. Parts 21, 25, 27, 37 and 38

The United States Department of Transportation (USDOT)

Standard Title VI/Non-Discrimination Assurances

DOT Order No. 1050.2A

By signing and submitting the Grant Application and by entering into the Grant Agreement under the Small Community Air Service Development Program (SCASDP), the Grantee (also herein referred to as the "Recipient"), **HEREBY AGREES THAT**, as a condition to receiving any Federal financial assistance from the U.S. Department of Transportation (DOT), the Grantee is subject to and will comply with the following:

Statutory/Regulatory Authorities

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 C.F.R. Part 21 (entitled *Non-discrimination In Federally-Assisted Programs Of The Department Of Transportation—Effectuation Of Title VI Of The Civil Rights Act Of 1964*);
- 28 C.F.R. section 50.3 (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964);

The preceding statutory and regulatory cites hereinafter are referred to as the "Acts" and "Regulations," respectively.

General Assurances

In accordance with the Acts, the Regulations, and other pertinent directives, circulars, policy, memoranda, and/or guidance, the Recipient hereby gives assurance that it will promptly take any measures necessary to ensure that:

> *"No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity," for which the Recipient receives Federal financial assistance from DOT.*

The Civil Rights Restoration Act of 1987 clarified the original intent of Congress, with respect to Title VI and other Non-discrimination requirements (The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973), by restoring the broad, institutional-wide scope and coverage of these non-discrimination statutes and requirements to include all programs and activities of the Recipient, so long as any portion of the program is Federally assisted.

Specific Assurances

More specifically, and without limiting the above general Assurance, the Recipient agrees with and gives the following Assurances with respect to its Federally assisted SCASDP Discretionary Grant program:

1. The Recipient agrees that each "activity," "facility," or "program," as defined in §§ 21.23 (b) and 21.23 (e) of 49 C.F.R. § 21 will be (with regard to an "activity") facilitated, or will be (with regard to a "facility") operated, or will be (with regard to a "program") conducted in compliance with all requirements imposed by, or pursuant to the Acts and the Regulations.

2. The Recipient will insert the following notification in all solicitations for bids, Requests For Proposals for work, or material subject to the Acts and the Regulations made in connection with the SCASDP Discretionary Grant and, in adapted form, in all proposals for negotiated agreements regardless of funding source:

   > "*The Grantee, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.*"

3. The Recipient will insert the clauses of Appendix A and E of this Assurance in every contract or agreement subject to the Acts and the Regulations.

4. The Recipient will insert the clauses of Appendix B of this Assurance, as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a Recipient.

5. That where the Recipient receives Federal financial assistance to construct a facility, or part of a facility, the Assurance will extend to the entire facility and facilities operated in connection therewith.

6. That where the Recipient receives Federal financial assistance in the form, or for the acquisition of real property or an interest in real property, the Assurance will extend to rights to space on, over, or under such property.

7. That the Recipient will include the clauses set forth in Appendix C and Appendix D of this Assurance, as a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the Recipient with other parties:

   a. for the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
   b. for the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

8. That this Assurance obligates the Recipient for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the Assurance obligates the Recipient, or any transferee for the longer of the following periods:

   a. the period during which the property is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or
   b. the period during which the Recipient retains ownership or possession of the property.

9. The Recipient will provide for such methods of administration for the program as are found by the Secretary of Transportation or the official to whom he/she delegates specific authority to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Acts, the Regulations, and this Assurance.

10. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Acts, the Regulations, and this Assurance.

By signing this ASSURANCE, the Grantee also agrees to comply (and require any sub-recipients, sub-grantees, contractors, successors, transferees, and/or assignees to comply) with all applicable provisions governing DOT's access to records, accounts, documents, information, facilities, and staff. You also recognize that you must comply with any program or compliance reviews, and/or complaint investigations conducted by DOT. You must keep records, reports, and submit the material for review upon request to DOT, or its designee in a timely, complete, and accurate way. Additionally, you must comply with all other reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

The Grantee gives this ASSURANCE in consideration of and for obtaining any Federal grants, loans, contracts, agreements, property, and/or discounts, or other Federal-aid and Federal financial assistance extended after the date hereof to the recipients by the U.S. Department of Transportation under the SCASDP Discretionary Grants Program. This ASSURANCE is binding on the Grantee, other recipients, sub-recipients, sub-grantees, contractors, subcontractors and their subcontractors, transferees, successors in interest, and any other participants in the SCASDP Discretionary Grants Program.

APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. **Non-discrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.

4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or DOT to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a

contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or DOT, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or DOT may determine to be appropriate, including, but not limited to:

    a. withholding payments to the contractor under the contract until the contractor complies; and/or
    b. cancelling, terminating, or suspending a contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the Recipient or DOT may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

APPENDIX B

CLAUSES FOR DEEDS TRANSFERRING UNITED STATES PROPERTY

The following clauses will be included in deeds effecting or recording the transfer of real property, structures, or improvements thereon, or granting interest therein from the United States pursuant to the provisions of Assurance 4:

NOW, THEREFORE, the U.S. Department of Transportation as authorized by law and upon the condition that the Grantee will accept title to the lands and maintain the project constructed thereon in accordance with and in compliance with all requirements imposed by Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S Department of Transportation pertaining to and effectuating the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. § 2000d to 2000d-4), does hereby remise, release, quitclaim and convey unto the Grantee all the right, title and interest of the U.S. Department of Transportation in and to said lands described in Exhibit A attached hereto and made a part hereof.

(HABENDUM CLAUSE)

TO HAVE AND TO HOLD said lands and interests therein unto Grantee and its successors forever, subject, however, to the covenants, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or structures are used for a purpose for which Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and will be binding on the Grantee, its successors and assigns.

The Grantee, in consideration of the conveyance of said lands and interests in lands, does hereby covenant and agree as a covenant running with the land for itself, its successors and assigns, that (1) no person will on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part on, over, or under such lands hereby conveyed [,] [and]* (2) that the Grantee will use the lands and interests in lands and interests in lands so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations and Acts may be amended[, and (3) that in the event of breach of any of the above-mentioned non-discrimination conditions, the Department will have a right to enter or re-enter said lands and facilities on said land, and that above described land and facilities will thereon revert to and vest in and become the absolute property of the U.S. Department of Transportation and its assigns as such interest existed prior to this instruction].*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to make clear the purpose of Title VI.)

APPENDIX C

CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE ACTIVITY, FACILITY, OR PROGRAM

The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the Grantee pursuant to the provisions of Assurance 7(a):

A. The (grantee, lessee, permittee, etc. as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add "as a covenant running with the land"] that:

    1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this (deed, license, lease, permit, etc.) for a purpose for which a U.S. Department of Transportation activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) will maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

B. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Non-discrimination covenants, Grantee will have the right to terminate the (lease, license, permit, etc.) and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the (lease, license, permit, etc.) had never been made or issued.*

C. With respect to a deed, in the event of breach of any of the above Non-discrimination covenants, the Grantee will have the right to enter or re-enter the lands and facilities thereon, and the above described lands and facilities will there upon revert to and vest in and become the absolute property of the Grantee and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

APPENDIX D

CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by Grantee pursuant to the provisions of Assurance 7(b):

A. The (grantee, licensee, permittee, etc., as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, "as a covenant running with the land") that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) will use the premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations, as amended, set forth in this Assurance.

B. With respect to (licenses, leases, permits, etc.), in the event of breach of any of the above Non-discrimination covenants, Grantee will have the right to terminate the (license, permit, etc., as appropriate) and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, permit, etc., as appropriate) had never been made or issued.*

C. With respect to deeds, in the event of breach of any of the above Non-discrimination covenants, Grantee will there upon revert to and vest in and become the absolute property of Grantee and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

APPENDIX E

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

<u>Pertinent Non-Discrimination Authorities:</u>

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 *et seq*.), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq*.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 C.F.R. Parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898 (as amended by Executive Order 12948), Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with

Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 *et seq*).

____

Signature

____

Date

____

Title

____

Grant Recipient

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
OFFICE OF AVIATION ANALYSIS

CERTIFICATION REGARDING INFLUENCING ACTIVITIES

Certification for Contracts, Grants, Loans,
and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:
(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Influencing Activities," in accordance with its instructions.
(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

________________________________ ________________________________
Signature Date

____
Title

____
Grant Recipient

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
OFFICE OF AVIATION ANALYSIS

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS IN THE PERFORMANCE OF SMALL COMMUNITY AIR SERVICE PURSUANT TO GRANT AWARD UNDER THE SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM

A. The grant recipient certifies that it will, or will continue, to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grant recipient's workplace, and specifying the actions that will be taken against employees for violation of such prohibition;
(b) Establishing an ongoing drug-free awareness program to inform employees about--
  (1) The dangers of drug abuse in the workplace;
  (2) The grant recipient's policy of maintaining a drug-free workplace;
  (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
  (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
(c) Making it a requirement that each employee to be engaged in the performance of work supported by the grant award be given a copy of the statement required by paragraph (a);
(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment supported by the grant award, the employee will--
  (1) Abide by the terms of the statement; and
  (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
(e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of conviction. Employers of convicted employees must provide notice, including position title, to the Office of Aviation Analysis. Notice shall include the order number of the grant award;
(f) Taking one of the following actions, within 30 days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted--
  (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended, or
  (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency;
(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

B. The grant recipient *may*, but is not required to, insert in the space provided below the site for the performance of work done in connection with the specific grant.

Places of Performance (street address, city, county, state, zip code). For the provision of air service pursuant to the grant award, workplaces include outstations, maintenance sites, headquarters office locations, training sites and any other worksites where work is performed that is supported by the grant award.

Check [ ] if there are workplaces on file that are not identified here.

____ ___________________________
Grant Recipient Signature Date

OFFICE OF THE SECRETARY OF TRANSPORTATION

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS

2 C.F.R. Part 1200, 2 C.F.R. Part 180

Instructions for Certification

1. By entering in the SCASDP Grant Agreement and signing below, the Sponsor is providing the assurance and certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The Sponsor shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the Sponsor to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the Sponsor knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

4. The Sponsor shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the Sponsor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

6. The Sponsor agrees that it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction pursuant to 2 CFR Parts 180 or 1200 or 48 CFR Part 9, Subpart 9.4, unless authorized by the department or agency entering into this transaction.

7. The Sponsor further agrees that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," available from the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction pursuant to 2 CFR Parts 180 or 1200 or 48 CFR Part 9, Subpart 9.4, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its

principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction pursuant to 2 CFR Parts 180 or 1200 or 48 CFR Part 9, Subpart 9.4, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions

(1) The Sponsor certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this Grant Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this Grant Agreement had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the Sponsor is unable to certify to any of the statements in this certification, such Sponsor shall attach an explanation to this proposal.

______________________________	______________________________
Name	Affiliation
______________________________	______________________________
Title	Date

OFFICE OF THE SECRETARY OF TRANSPORTATION
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION -- LOWER TIER COVERED TRANSACTIONS

Instructions for Certification

1. By entering into the SCASDP Grant Agreement and signing below, the Sponsor is providing the assurance and certification set out below.

2. The certification required by a prospective lower tier participant is a material representation of fact upon which reliance is placed when a transaction is entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which the certification is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant shall agree that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction pursuant to 2 CFR Parts 180 or 1200 or 48 CFR Part 9, Subpart 9.4, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant shall further agree that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction pursuant to 2 CFR Parts 180 or 1200 or 48 CFR Part 9, Subpart 9.4, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction pursuant to 2 CFR Parts 180 or 1200 or 48 CFR Part 9, Subpart 9.4, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion -- Lower Tier Covered Transactions

By entering into the SCASDP Grant Agreement and signing below, the Sponsor is providing the assurance set forth in paragraphs (1) and (2) below.

(1) The Sponsor shall ensure that any prospective lower tier participant certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the Grant Project by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in the certification, the Sponsor shall ensure that such lower tier prospective participant attaches an explanation to the certification.

____
Name

____
Title

____
Affiliation

____
Date

Date:	Monday, July 6, 2020
To:	Mayor and City Council
From:	Travis Rothweiler, City Manager

Request

A presentation of the City Manager's Recommended Budget for FY 2021 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 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 2020-2021 (FY2021). 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.

We found ourselves dealing with a tremendous amount of uncertainly as we developed the budget for the upcoming fiscal year. We do not know what a "new normal" will look like when, and if, it arrives. To this day, we remain concerned about the long-term economic, health, psychological and societal effects of the novel coronavirus disease (COVID-19) will have on our community and our ability to provide public services. Equally, we are concerned about the societal unrest occurring in many communities across the nation. Lives tragically lost in other states and communities impacted members of our community, just as it did in many hometowns across the United States and the world. The events of the spring of 2020 were further proof our world is shrinking.

The City of Twin Falls is a municipal corporation with over 50,000 shareholders, 313.25 full-time employees and a taxable value of nearly $3.4 billion. The City's taxable value excludes the taxable value of the properties located in the Twin Falls Urban Renewal Agency revenue allocation areas, which have a total value of $622,600,619, which is an increase of $61,047,371. Collectively, the taxable values for both the City of Twin Falls and Twin Falls Urban Renewal Agency totals $4,032,586,340. To put these values into perspective, the City of Twin Falls' taxable value in FY 2012 was $2.152 billion.

The FY 2021 budget has been created with following philosophies in mind:

- Create a nimble, agile, adaptable budget that allows the City to react in this dynamic, uncertain and ever-changing local economy;
- Develop a budget that is sensitive to our operating environment and local economic conditions;
- Connect all expenditures directly to the City's 2030 Strategic Plan;
- Limit tax collections by considering not taking 3% and preserve the entirety of the $1,416,284 foregone balance;
- Minimize all utility rate increases;
- Place a high level of value on 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 10, 2020, the City Council will adopt the preliminary budget for FY 2021, with a public hearing and final adoption scheduled to occur on August 24, 2020.

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 while taking advantage of opportunities as they are presented. We continue to focus on the focus areas 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 FY2021 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.

SIGNIFICANT ISSUES DRIVING BUDGETARY CONSIDERATIONS

The four main drivers that influenced the development of the City Manager's Recommended Budget for FY 2020-2021 were:

- **Novel coronavirus (COVID-19)**
  Like many cities across the country, the sudden onset of the novel coronavirus (COVID-19) and the resulting disruption to local economies interrupted a period of growth and prosperity that had not been seen since before the Great Recession. What remains to be seen is how the economy, on both a national and local scale, will respond to the disruption and what the trajectory of that recovery will look like.

- **Health Insurance and Compensation**
  Health insurance continues to be a difficult subject to navigate in our budgeting efforts. We recognize that offering quality and affordable health insurance is critical in our efforts to be an employer of choice. However, health care cost inflation continues to outpace the Consumer Price Index and the Municipal Cost Index. In addition, some members of our employee family have also had to deal with serious and costly health challenges. These factors have caused dramatic increases in health insurance costs year over year. The cost of our insurance monthly premium to cover an employee and his/her family has almost doubled in the last ten years.

  With no changes to the current plan, the proposed increase in cost of health insurance in FY 2021 is 10%. When considering options to reduce this increase, we compared our offering to what other public employers are offering their employees. We feel that our health care benefit is still market competitive, but further changes to our plan could affect that competitive position. An increase in insurance premiums when the compensation adjustment is 2% and/or with a 2% table move will prevent our employees from seeing a net decrease in their take-home pay in the coming fiscal year.

- **Becoming a CDBG (Community Development Block Grant) Entitlement Community**
  The City of Twin Falls accepted the status of an Entitlement Community through the U.S. Department of Housing and Urban Development (HUD) in September 2019. With its population estimated to be in excess of 50,000 residents, Twin Falls is now considered small urban and is subject to additional federal requirements. The CDBG program provides annual formula grants based on population to states, cities and counties to develop programs to provide decent housing and suitable living environments and expanding economic opportunities for low and low-

moderate income persons. The City's allocation will be approximately $342,000 annually. In response to COVID-19, an additional allocation of $200,000 was made to the city. Staff is working with a consulting firm to develop the planning documents required in order to expend the funds.

- **Property Tax Reform by the State Legislature**
  In Idaho, property taxes are the primary source of revenue for local governments. The method for calculating property taxes applies individual tax rates for each taxing entity against the assessed value of the property. When home values are increasing at a faster rate than income levels, the result is a significant increase in property tax burden to homeowners. Prior to COVID-19, housing prices in Idaho were increasing between 8% and 10% each year. Even with a reduced tax rate, an increase in assessed value equates to an increase in property taxes. In addition, in 2016 the Idaho Legislature replaced the index that drove the homeowners' exemption with a cap of $100,000. As home values increase, the exemption provides less and less relief to homeowners.

  Multiple bills were introduced during the 2020 legislative session meant to address property tax reform. These bills varied in method, but all would have resulted in a reduction in our ability to capture property tax revenue: eliminating the statutory 3% increase local governments can take over the previous year's budget, eliminating new construction, and eliminating foregone balances. Due to the sudden onset of COVID-19, the session recessed without any significant changes to property tax collection, but there remains considerable interest in pursuing reform in the upcoming session.

  The City will continue to bring forward a balanced budget regardless of the actions at the State level, with the understanding that if our revenues from property taxes are significantly decreased, there will be a resulting decrease in services the City can provide.

ECONOMIC INDICATORS CONSIDERED IN THE RECOMMENDED BUDGET

To produce a conservative and sustainable budget, the FY 2021 budget reflects a decline in some revenue categories as the overall strength of the state and national economies remain uncertain. Our robust and growing economy, overall real estate market stability and desirability, long-term growth management strategy, and dedication to superior services will make it possible for the City to remain on strong financial footing. While we know we will recover, we remain uncertain as to "when."

The swift and destabilizing effects of COVID-19, however, have created a level of economic uncertainty not seen since the Great Depression. It is this uncertainly that will influence budgetary decisions for the foreseeable future.

National

- U.S. house prices rose 1.7% in the first quarter of 2020 according to the Federal Housing Finance Agency (FHFA) House Price Index (HPI). House prices rose 5.7% from the first quarter of 2019 to the first quarter of 2020. The impact of COVID-19 has yet be reported in the housing market.
- Nationwide, unemployment rates remained low throughout 2019. According to the Bureau of Labor Statistics, the national unemployment rate was less than 3.7% every month of 2019, getting as low as 3.5% in February 2020. With the sudden shutdown of the U.S. economy due to COVID-19, the unemployment rate rose to 4.4% in March and 14.7% in April, then falling slightly to 13.3% for May 2020.
- The Dow Jones Industrial Average hit an all-time high of 29,551 on February 12, 2020 as a result of the longest bull market in history. On March 20, 2020, the market closed at 19,173 point, a loss of 10,378 point in a two-month period.
- Prior to COVID-19, consumer confidence was up from last year. The University of Michigan compiles a consumer sentiment rating. The rating for May 2019 was 100 and grew to a 12-month high of high of 105.8 in early March 2020, before beginning a steady and rapid decline. The April

2020 rating was 69, which shows a 36% decrease in consumer confidence as a result of COVID-19. The decline illustrates a major collapse in economic optimism across all population subgroups defined by income, age, education, and region of residence. Half of all consumers surveyed mentioned they were postponing purchases of household durables due to uncertainty about future job and income prospects.

State of Idaho

- Home prices rose in all 50 states and the District of Columbia between the first quarter of 2019 and the first quarter of 2020. Boise, Idaho realized one of the highest levels of annual appreciation in the nation at 9.3%.
- Home prices rose in 97 of the 100 largest metropolitan areas in the U.S over that four quarters. Annual price increases were the greatest in Boise, Idaho at 12.7%.
- The median home value in Idaho is $298,257 and increase of 9.5% over the past year. The median list price per square foot in Idaho is $173. The median price of homes currently listed in Idaho is $334,895. The median rent price in Idaho is $1,400. Prior to COVID-19, Idaho home values were predicted to rise 10-15% within the next year. However, the impact of the virus has created a softening of the real estate market and values are expected to decrease by .2% within the next year.
- Statewide unemployment was 2.6% in March 2020. Following the shutdown of the economy as a result of the stay-at-home order to combat COVID-19, the rate rapidly rose to 11.5% for the month of April 2020 but fell to 8.9% in May 2020.
- Per capita personal income (PCPI) continues to grow, but at a slower pace than in previous years. PCPI in Idaho grew by 3.6% from 2018 to 2019. At $45,642, Idaho is ranked 44th in the United States and was 80 percent of the national average of $56,623.Idaho was sixth 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 4.1% for 2018-19.
- The May 2020 revenue projections for the State of Idaho were 59.8% lower than anticipated, due large in part to the extension of the income tax filing deadline from April 15 to June 15. Idaho General Fund tax collections were coming in above the forecasted levels prior to April 2020. Receipts were $77.7 million more than expected for February and $30.6 million more for March. Even with receipts coming in higher than predicted for the first 9 months of the fiscal year, to-date revenues (through May 2020) show a $312.7 million shortfall, which is 8.7% under projections.
- Sales tax receipts for May 2020 were 9.9% lower than projected ($13.5 million), but of all revenue streams, sales tax is closest to projections through May 2020 (1% lower).

City of Twin Falls

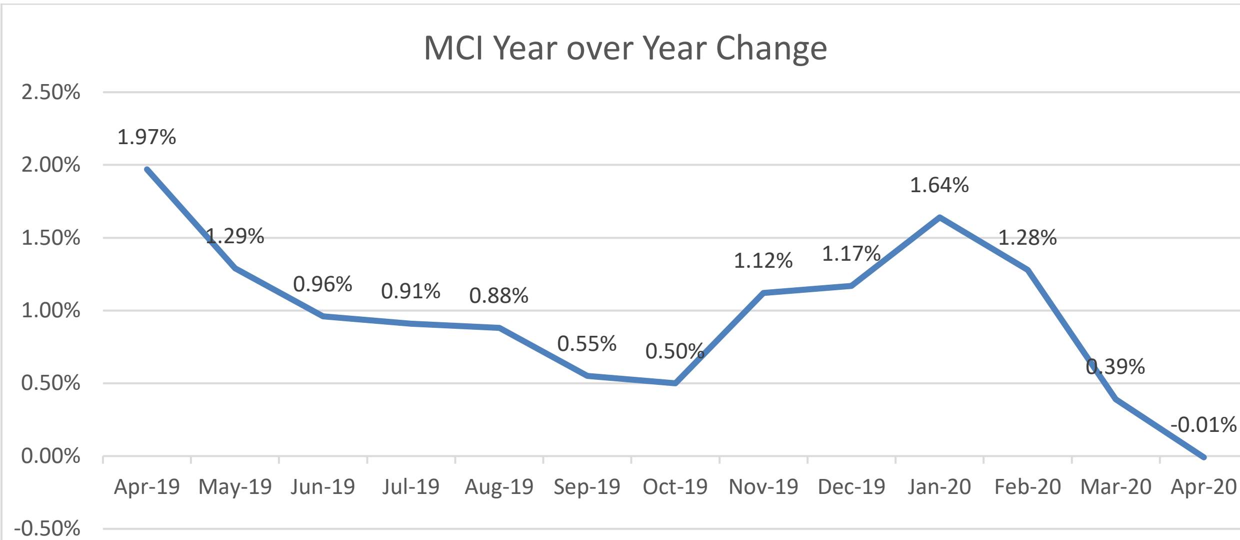
- According to the Idaho Department of Labor's Twin Falls County Workforce Trends report, Twin Falls County had an unemployment rate of 2.6% in March 2020. This compares to the State of Idaho unemployment rate of 2.5% and a national unemployment rate of 3.5%. The unemployment rate for Twin Falls County has dropped continuously for several years, from 5.6% in 2013 to 2.4% in 2019. The impact of COVID-19 on the local economy mirrors that of the State and national economies – unemployment in Twin Falls was 11.2% in April 2020, and this figure was based on March data when social distancing had only been in place for a few weeks. May unemployment dropped to 8.2%, which is better than anticipated but similar to the statewide effects to the economy.
- Construction activity for Twin Falls continued on a similar pace in 2019 in terms of single-family building permits issued. There were 326 single family permits issued in 2019, which was the highest level since 2006. There have been 313 permits issued to- date in FY 2020, which exceeds the same period in 2019 by 102 permits and is 96% of total FY2019 permits with four months left in the fiscal year. It remains to be seen what, if any, long term impacts COVID-19 will have on the housing market and if the pace of construction will be affected.

- There were 78 new commercial building permits issued in FY2019, far surpassing the high of 61 in 2008. To-date there have been 37 new commercial building permits issued in the first eight months of FY2020.

COST OF DOING BUSIENSS – MUNICIPAL COST INDEX

The economy has been improving 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.

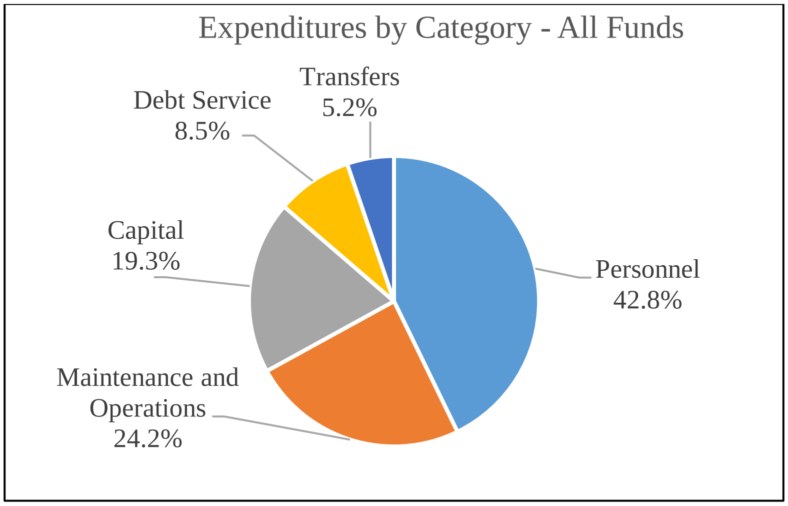
The MCI draws on the monthly statistical data collected by the U.S. Departments of Commerce and Labor as well as independently compiled data to project a composite cost picture. From April 2019 to April 2020, the most recent data available, the MCI decreased 2.19 points or -.86% to 251.13. The Consumer Price Index fell -0.4 in March 2020 and -0.8 in April 2020.



2021 FISCAL YEAR BUDGET SUMMARY

The combined expenditures and transfers total $73,651,704, which is $1,581,416 (2.19%) more than the FY 2020 budget of $72,070,288. Governmental Fund-Type expenditures, or expenditures from funds that receive property tax or shared revenue, total $42,407,832 (decrease of $2,301,311, or 5.15%). Of this amount, $583,219 is for one-time capital initiatives funded with cash reserves. 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. The “net budget,” or total budget less transfers is $69,801,197 for FY 2021. This is $2,055,823 (3.03%) more than the FY 2020 total of $67,745,374. It is important to note that net overall spending (total less transfers) in the tax supported funds is $1,742,010 (4%) less than the budget adopted for FY 2020.

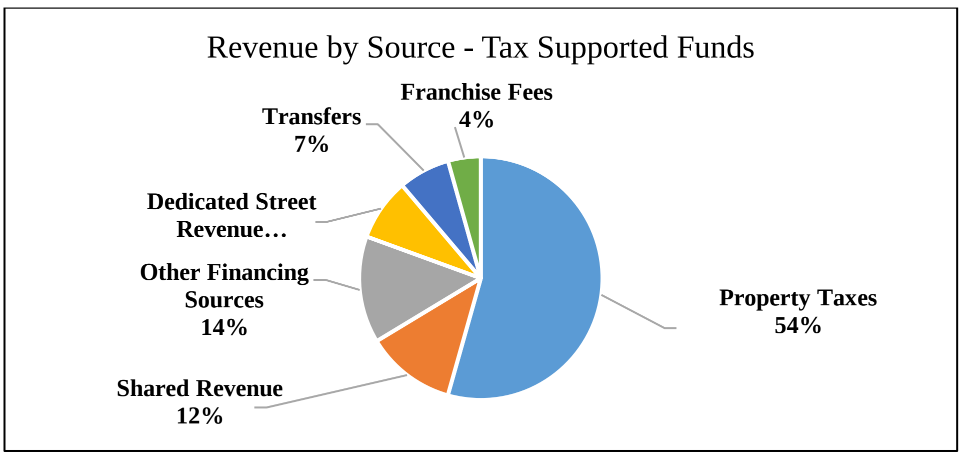
Expenditures in this budget are classified under one of five major categories – Personnel, Maintenance and Operations, Capital, Debt Service and Transfers. The graph below shows the relative percentage of FY 2021 budget expenditures for the five major categories in all funds combined.



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.

REVENUES

Most commonly recognized government activities are conducted through Government Funds. The Government Fund umbrella includes the following funds: General, Street, Street Light, Airport, Library, Capital Improvement, Pool, Golf, Insurance, and Fireworks. Revenues in these funds are derived from property taxes, licenses and permits, intergovernmental grants, shared revenues from the state of Idaho (sales tax, gas tax, etc.), and federal entitlements. The government funds include funding to support personnel, maintenance and operations, contractual services, equipment acquisitions, and capital construction projects.



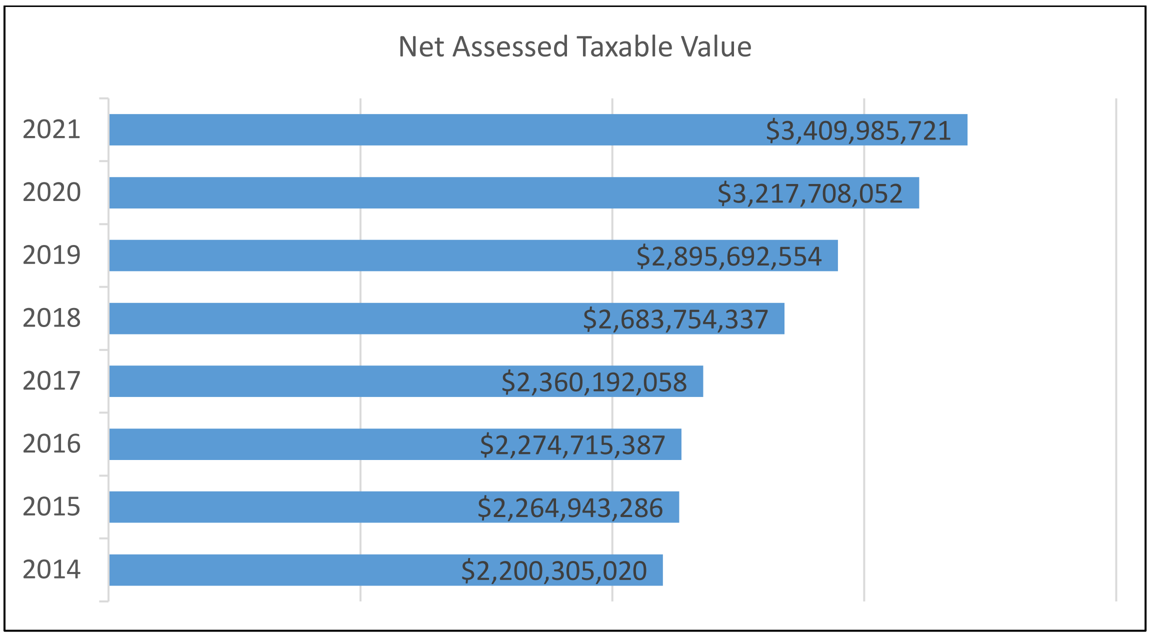
Enterprise Funds account for services financed through the assessment of user-fees. The main goal or purpose of these business-like funds is to provide services to customers at a price that will cover both the current cost of operations and the purchase and maintenance of necessary capital assets. Net income/loss (revenues less expenditures) at the end of each fiscal year either adds to or reduces the fund's residual equity, which is commonly referred to as the net assets of the fund. The residual earnings captured by a particular Enterprise Fund may not be co-mingled with any other fund or spent for any purpose other than the one it has been collected or reserved for without direct and specific action by the City Council.

The City has five separate and distinct Enterprise Funds, which include the City's Water (supply, distribution, irrigation and utility services), Wastewater (collections and treatment), Sanitation, Dierkes/Shoshone Falls, and Common Area Maintenance Funds. This section of the budget message focuses on the City's three largest enterprise funds: Water, Wastewater, and Sanitation. The other funds constitute a small portion of the Enterprise Fund picture and are not specifically addressed in this message; the specific budgeted amounts can be viewed within the budget document.

TOTAL ASSESSED VALUATION

According to the Twin Falls County Assessor's Office, from FY 2020 to FY 2021, the City of Twin Falls' total taxable valuation increased by $192,277,669, or 6%, from $3,217,708,052 to $3,409,985,721. This growth is on top of the $322,015,498 that was realized in the prior fiscal year.

As illustrated in the table below, the taxable value used to calculate the FY 2021 tax rate for the City of Twin Falls is the largest in its history

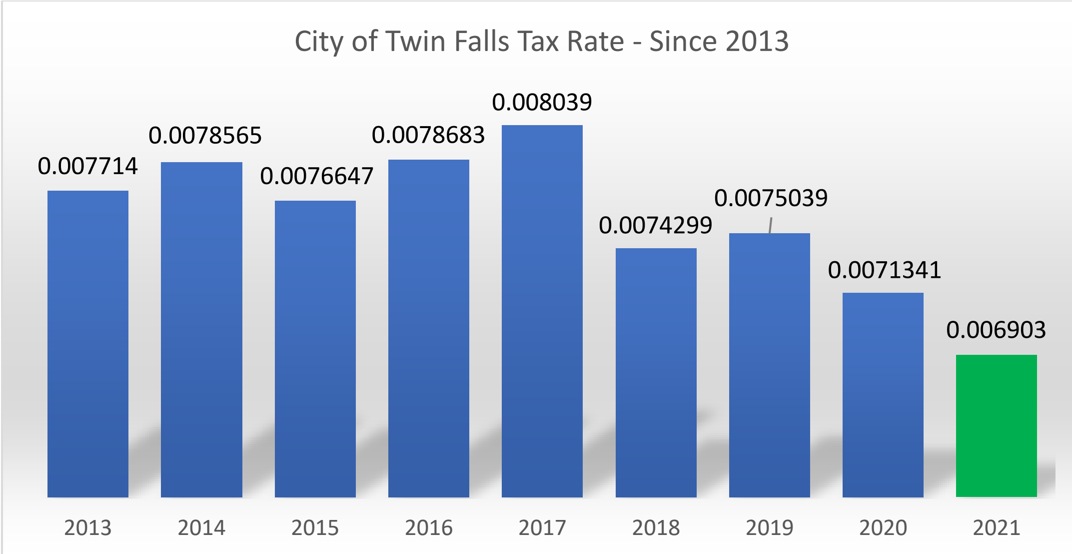


It is important to note the City's taxable value excludes the taxable value of the properties located in the Twin Falls Urban Renewal Agency revenue allocation areas. The entirety of the URA's properties are located in the City and have a value of $622,600,619. Collectively, the taxable values for both the City of Twin Falls and Twin Falls Urban Renewal Agency total $4,032,586,340. 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.

PROPERTY TAXES

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. The FY2021 budget does not include the statutory allowed 3% increase in property tax revenue.

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 2021 will be $6.90 per $1,000 (0.0069038) in taxable value. The tax rate for FY 2020 was $7.13/$1,000 (0.0071341) of taxable value. As illustrated in the graph below, the FY 2021 tax rate is the lowest issued by the City over the last eight years.

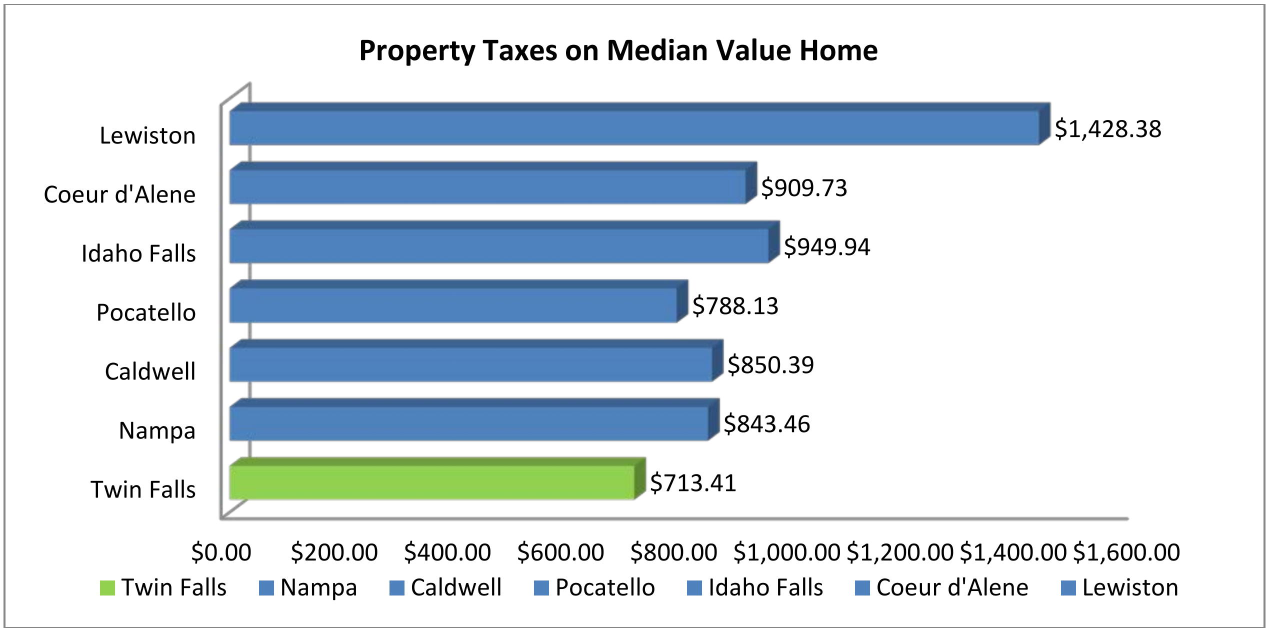


How does our Tax Rate compare to the other, large full-service Idaho cities?

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 2018 Levy Book (tax rate) and Zillow.

	Total Taxes	2019 Median Property Value	FY 2020 TR
Lewiston	$1,428.38	$245,000	0.0098509
Coeur d'Alene	$909.73	$311,000	0.0043115
Idaho Falls	$949.94	$208,000	0.0087957
Pocatello	$788.13	$166,000	0.0094956
Caldwell	$850.39	$215,000	0.0073947
Nampa	$843.46	$227,000	0.0066414
Twin Falls	$713.41	$200,000	0.0071341

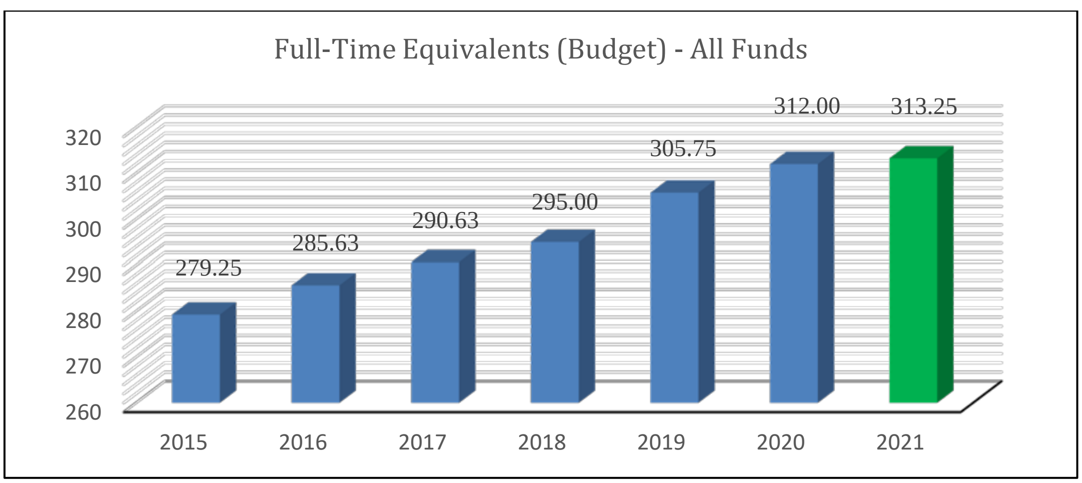
Note: Idaho's median value of an owner-occupied home for this same period of time was $267,000.



For the purposes of this analysis, the cities of Boise and Meridian were intentionally excluded because they are not directly responsible for the transportation systems in their communities; that responsibility lies primarily with the Ada County Highway District (ACHD). ACHD is an independent taxing authority specifically created for the purpose of maintaining the transportation system in these communities. For FY 2021, the Street Fund budget for the City of Twin Falls is $5,108,540, or approximately 12% of the total for tax supported funds.

PERSONNEL

The City of Twin Falls has a philosophy of adding full-time employees only when “need” and “sustainability” can be demonstrated. The City of Twin Falls has an estimated population of 50,529. Based on that estimate, the City of Twin Falls has six employees per 1,000 of population. However, as the regional and urban center for a geographic area having a population of approximately 250,000, the City’s daily census population grows to an estimated population of 85,000. This causes the number of City employees per 1,000 of population to drop to less four.



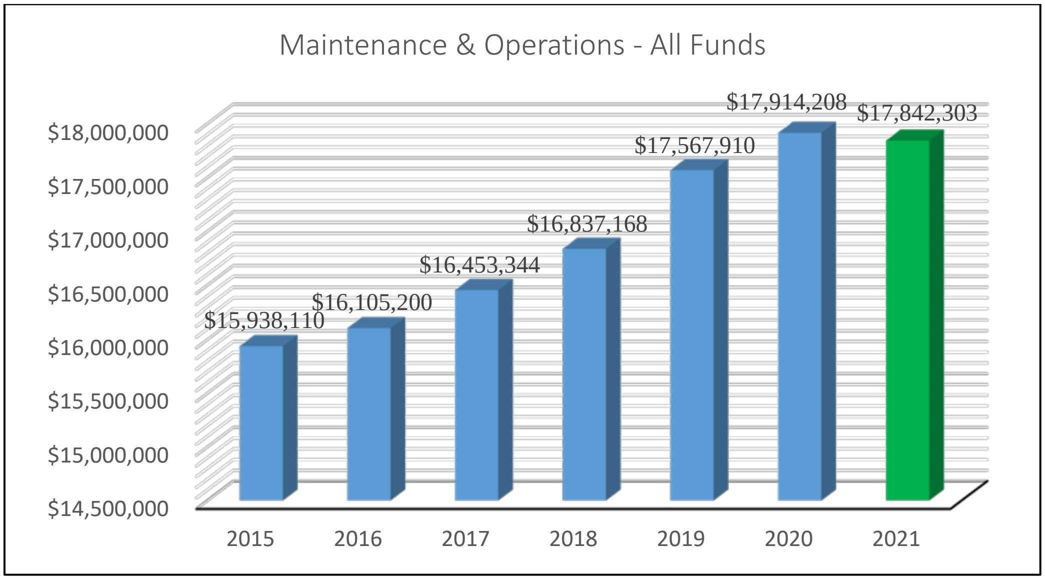
The City of Twin Falls currently has a total of 312.00 full-time professionals working to deliver services to the citizens of Twin Falls For FY 2021, a net total of 1.25 FTEs were added to the budget, a majority of which are offset by existing revenue. The new positions bring the City of Twin Falls total FTE count to 313.25.

The other expenditures associated with personnel in the FY 2021 budget:

- Provides for performance-based adjustment for all employees (2%) and/or Table Movement (2%)
- Increased funding for health care insurance (10%)

MAINTENANCE AND OPERATIONS EXPENDITURES IN ALL FUNDS

This category includes funding for a wide-range of typical activities, including: office supplies, fuels, electricity, travel, training, uniforms, routine repairs to equipment 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 2021 budget allocates a total of $17,842,303 to cover expenses associated with maintenance and operations. In comparison, the allocation for FY 2020 was $17,914,208. This is a decrease of $71,905 (.40%) across all funds.



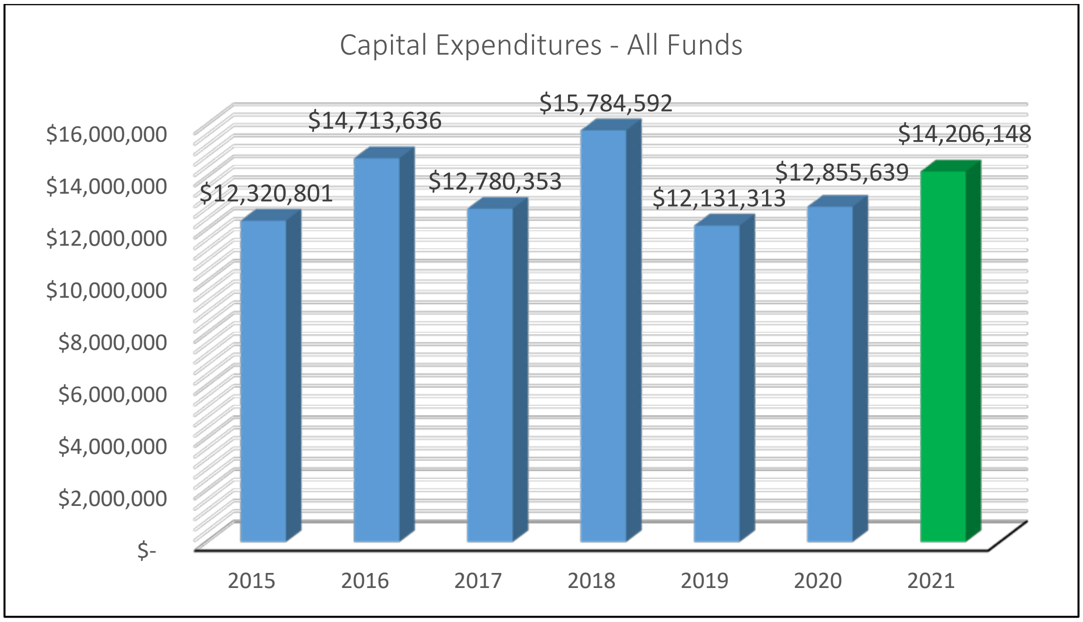
CAPITAL FUND AND TOTAL CAPITAL INVESTMENT

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.

A small sampling of the capital initiatives that have been funded in this budget include: making improvements to our water, wastewater and transportation systems; improving our trail systems; making miscellaneous park improvements; rotating our fleet, vehicles, machinery and equipment; improvements to the city's golf course; and repair and replacement of sidewalks.

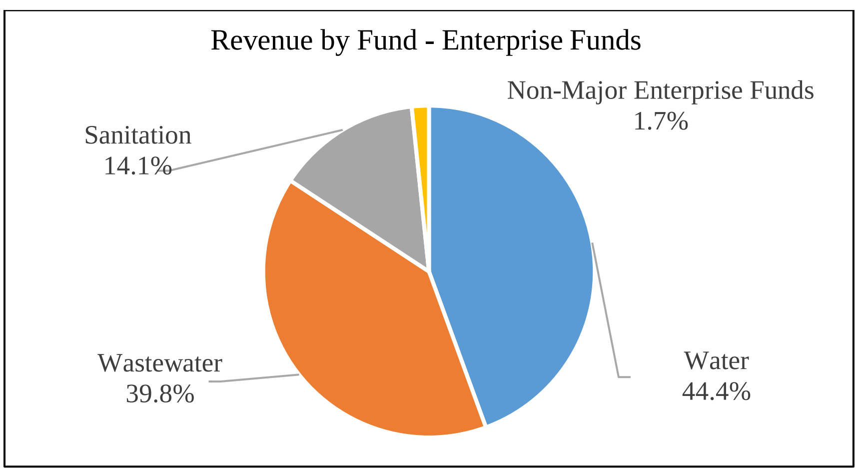
As demonstrated by the partial list above, the ongoing development, expansion, maintenance, and repair of these capital assets is necessary, recognizing the critical value of civil infrastructure to the economic, aesthetic, and functional viability of the City. For accounting purposes and based on best practices recommendations of the Government Finance Officers Association (GFOA), the City of Twin Falls capitalizes acquisitions and improvements that are durable and in excess of $5,000. In total, the FY 2021 budget allocates $14,206,148 to fund needed, critical and desired capital improvements and community amenities. In FY 2020, the City of Twin Falls budgeted a total of $12,855,639 for capital improvements. The FY 2021 allocation is an increase of $1,350,509, or 10.51%.



As illustrated in the graph above, the City of Twin Falls has budgeted $94,792,482 for capital improvements since 2015. In addition (not included in graph), since 2012, $57,328,257 has been spent on the Wastewater Treatment Plant Improvement ($45,570,000), City Hall ($7,594,150), and Public Safety Complex ($4,164,107) projects.

MAJOR ENTERPRISE FUND REVENUES

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 Water Fund supports the following water-related activities: water supply, water distribution, pressurized irrigation, and utility billing. For FY2021, water user rates remain the same as they were in FY 2020. Revenue projections estimate $11,101,938 in the Water Fund, which combined with reserves of $1,800,000 equals $12,901,938 in total funding. This is an increase of $1,168,200 (10%) compared to the FY 2020 total of $11,733,738.

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. For FY 2021, wastewater user rates remain the same as they were in FY 2020. Revenue projections estimate $9,951,795 in the Wastewater fund, which compared to FY 2020 funding of $9,904,742, is a decrease of $47,053 (.48%).

Sanitation
The City's Sanitation Fund supports the City's sanitation and recycling programs. For FY 2021, sanitation user rates also remain the same as FY 2020. Revenue projections estimate $3,522,406 in the Sanitation Fund, which compared to FY 2020 funding of $3,428,969, is an increase of $93,437 (2.7%).

DISCUSSION ON THE CITY'S FOREGONE BALANCE
Over the past several years, considerable time has been spent illustrating the cost-benefit analysis of using the City's foregone 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. Simply, the base by which the three percent is calculated is smaller.

The City's forgone balance is only permitted for as long as the laws on this topic remain unchanged. State legislators have discussed the need to change foregone balance laws in each of the last several legislative sessions. For now, recovering past foregone increases is still an option for cities in Idaho. The decision to incorporate all, or a portion, of the City's forgone balance remains with the City Council.

The table below illustrates the changes to the City's forgone balance since FY2010.

	Amount by Year	Cumulative Amount
FY 2010	$539,902.00	$539,902.00
FY 2011	$476,376.00	$1,016,278.00
FY 2012	$463,422.00	$1,479,700.00
FY 2013	-$1,123.00	$1,478,577.00
FY 2014	$8,630.00	$1,487,207.00
FY 2015	$395,464.00	$1,882,671.00
FY 2016	$266,548.00	$2,149,219.00
FY 2017	$37,034.00	$2,186,253.00
FY 2018	$0.00	$2,186,253.00

FY 2019	-$770,000.00	$1,416,284.00
FY 2020	$0.00	$1,416,284.00
FY 2020	$0.00	$1,416,284.00
FY 2021	$697,681.00	$2,113,965.00

The FY 2021 budget does not include the recovery of any additional forgone balance. However, the $770,000 that was recovered in FY 2019 has been set aside in the FY 2021 budget to fund additional Council priority capital projects. During the creation of the FY 2021 budget, the Council will discuss various capital projects and provide direction regarding their priorities for the $770,000.

HOW MUCH MORE WILL CITY SERVICES COST?

Over the last ten fiscal years, the City's tax rate fluctuated significantly, ranging from a high of $7.86 per $1,000 (FY 2014 and 2016) of taxable value to a low of $6.59/$1,000 (FY 2010) of taxable value. The average of the tax rate assessed over the course of the last seven fiscal years (2013-2019) is $7.72/$1,000 in 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 2020 Adopted Budget	**FY 2021 Recommended Budget**	**Variance**
Property Tax	Tax Rate: $7.13/$1,000 of taxable value	Tax Rate: $6.90/$1,000 of taxable value	Tax Rate: -$.23/$1,000 of taxable value
Median Valued Home of an owner-occupied home: FY 2020 - $200,000 (as of January 2019) FY 2021 - $208,050 (as of January 2020)	**$713.00** *(annual)* **$59.42** *(monthly)*	**$745.55** *(annual)* **$62.13** *(monthly)*	**$32.55** *(annual)* **$2.71** *(monthly)*
Estimated CRF Tax Relief	*(monthly)*	**-$10.81 to -$21.62** *(monthly)*	**$723.94 to $734.74** **$0.91 to $1.81** *(monthly)*
Utility Bills			
Average Residential Customer Comsumption of:			
Water - 18,000 gallons	$49.89	$49.89	$0.00
Sewer - 12,000 gallons	$27.27	$27.27	$0.00
Sanitation & Recycling	$17.79	$17.79	$0.00
Total Utility Bills	$94.95	$94.95	$0.00
Monthly Total of Property Tax and Utility Bills	**$154.37** *monthly*	**$157.08** *monthly*	**$0.91 to $1.81** *monthly*

In May 2020, the City Council and the City Manager made the decision not to assess the statutorily allowed three percent (3%) property tax increase as provided for in Idaho Code §63-802. More than a month later, the Governor created a tax relief program that diverts $200 million on Federal CARES funding directly to Idaho property taxpayers if cities and counties elect to not take the three percent (3%) property tax increase. For those that elect to participate, the CARES funding will be proportionately divided among those Idaho cities and counties using a formula based on the actual cost of public safety personnel salaries (police, fire, animal control, dispatch, etc).

The exact amount of tax credit received will not be known until October 20202 when all city and county budgets are certified, and all public safety salaries are calculated. Based on the initial guidance supplied by the Governor's Office, the most our citizens will receive in total property tax relief from the CARES funds is equal to the three percent property tax, or $697,681. This will cause the City's functional tax rate to decrease to $6.70/$1,000 to $6.80/$1,000. Based on the median value of an owner occupied home, this will create an estimated savings of $10.81 to $21.62 per taxpayer.

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 2020-2021 Fiscal Year. The public hearings are scheduled for August 10, 2020 (rate and fees) and August 24th (preservation for forgone balance and appropriations ordinance). Final adoption of Appropriations Ordinance is also scheduled for the evening of August 24, 2020.

Budget Impact:

There are no current budgetary or financial impacts from the conversation. From this process, we will establish the budget for FY 2021.

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 2021 can be found online.