Twin Falls City Council
Agenda

Monday, August 3, 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
4) CONSENT CALENDAR
   a) **ACTION ITEM:** Request to approve the May 18, 2020, City Council Minutes.
      By: Amy Luna, Finance Administrative Assistant
   b) **ACTION ITEM:** Request to approve the July 27, 2020, City Council Minutes.
      By: Amy Luna, Finance Administrative Assistant
   c) **ACTION ITEM:** Request to approve the Accounts Payable for July 16 - 29, 2020.
      By: Amy Luna, Finance Administrative Assistant
   d) **ACTION ITEM:** Request to approve the Findings of Fact and Conclusion of Law: Zoning District Change and Zoning Map Amendment for application PZ20-0062
      By: Jonathan Spendlove, Planning & Zoning Director
5) ITEMS OF CONSIDERATION
   a) **PRESENTATION:** A presentation of the City Manager's Recommended Budget for FY 2021 followed by citizen input.
      By: Travis Rothweiler, City Manager
   b) **ACTION ITEM:** Request to advance road construction and other transportation-related projects plus the reconstruction of Hankins Road as described in the Accessible Community Focus Areas of the FY 2020-2021 Budget.
      By: Mark Holtzen, Erin Steel, Josh Baird, Engineering Department, Jon Caton, Public Works Director
6) GENERAL PUBLIC INPUT: To provide public input to the City Council please email: Citizeninput@tfid.org.
7) ADVISORY BOARD REPORT/ANNOUNCEMENTS
8) PUBLIC HEARINGS
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, May 18, 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 Shawn Barigar, Craig Hawkins, Greg Lanting, Christopher Reid & Nikki Boyd.

Absent:

Staff Present: City Manager Travis Rothweiler, Deputy City Manager Mitch Humble, City Attorney Shayne Nope, Public Works Director Jon Caton, Staff Engineer Erin Steel, Aquatics Director John Pauley, P&Z Director Jonathan Spendlove, Accounting Specialist Janie Higgins, Desktop Technician Jeremiah Parent, 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

MOTION: Council Member Hawkins moved to approve the Consent Calendar as presented. **Vice Mayor** seconded the motion. Roll call vote showed all members present voted in favor of the motion. 7 to 0

a) **ACTION ITEM**: Request to approve the Accounts Payable for May 7-13, 2020.
b) **ACTION ITEM:** Request to approve the May 11, 2020, City Council Minutes.
c) **ACTION ITEM:** Request to accept the Improvement Agreement for the purpose of developing Pheasant Meadows Subdivision No. 3.
d) **ACTION ITEM:** Request to approve a Trust Agreement for Pheasant Meadows Subdivision No. 3, placing all lots in trust.
e) **ACTION ITEM:** Request to approve the Final Plat for Wilcox Building Condominium to allow for the subdivision of a building into 3 units located at 710 Fillmore Street. c/o Chris Street Harper Leavitt Engineering, Inc. (PZ20-0052)
f) **ACTION ITEM:** Request from the Twin Fall School District to waive building permit fees for construction of a wrestling facility at Twin Falls High School.
g) **ACTION ITEM:** Request to approve the 2020 Downtown Farmer's Market.

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:

Mayor Hawkins: Someone who has a family member go into the hospital, when will a family member be able to go with them?

Council Member Barigar: Employers are asking about testing; What protocols are being used for testing?

Mayor Hawkins: If you have been exposed but do not have enough virus to test positive do you have enough virus to get someone else sick?

Mayor Hawkins thanked Dr. Kern for his presentation.

b) **ACTION ITEM:** Request to award a contract for Zone 8 GSB-Friction Seal ®.
Public Works Director Caton requested to award a contract for Zone 8 GSB-Friction Seal.

Contract amount: $694,000.00

Discussion ensued on the following:
Council Member Boyd: Has the crack seal been done all over? Or is this in preparation for this Friction Seal.

MOTION: Council Member Reid moved to approve the request to award a contract for Zone 8 to GSB-Friction Seal in the amount of $694,000. **Council Member Boyd** seconded the motion. Roll call vote showed all members present voted in favor of the motion. 7 to 0.

c) **ACTION ITEM:** Request to award the City of Twin Falls 2020 School Sidewalk Project to Extreme Excavation, Inc. of Twin Falls, in the amount of $454,751.50.
Staff Engineer Steel requested to award the City of Twin Falls 2020 School Sidewalk Project to Extreme Excavation, Inc. of Twin Falls, in the amount of $454,751.50.

Mayor Hawkins recused herself from this item as Extreme Excavation is a customer of her computer business.

Discussion ensued on the following:
Council Member Barigar: What is the timeline for construction?

MOTION: Council Member Lanting moved to approve the request to award the City of Twin Falls 2020 School Sidewalk Project to Extreme Excavation, Inc. of Twin Falls, in the amount of $454,751.50. **Council Member Hawkins** seconded the motion. Roll call vote showed all members present voted in favor of the motion. 6 to 0 with Mayor Hawkins abstaining.

d) **ACTION ITEM:** Request to change appropriated capital dollars to purchase a new pool vacuum for the City Pool.
Aquatics Director Pauley requested to change appropriated capital dollars to purchase a new pool vacuum for the City Pool.

Discussion ensued on the following:
Council Member Hawkins: What is the life expectancy of the vacuum?

MOTION: Council Member Boyd moved to approve the request to change appropriated capital dollars to purchase a new pool vacuum for the City Pool. **Vice Mayor Pierce** seconded the motion. Roll call vote showed all members present voted in favor of the motion. 7 to 0.

e) **ACTION ITEM:** Request to use contingency funds to convert the City Pool showers and sinks from geothermal water to city water.
Aquatics Director Pauley requested to use contingency funds to convert the City Pool showers and sinks from geothermal water to city water.

Discussion ensued on the following:
Council Member Reid: Do you think that this project will be completed before we reopen?

MOTION: Council Member Reid moved to approve the request to use contingency funds to convert the City Pool showers and sinks from geothermal water to city water. **Vice Mayor Pierce** seconded the motion. Roll call vote showed all members present voted in favor of the motion. 7 to 0.

Mayor Hawkins asked for a quick overview of the re-opening of the pool from **Aquatics Director Pauley**.

f) **<u>ACTION ITEM:</u>** Request to adopt an ordinance for a Zoning District Change with a Zoning Development Agreement for the Twin Falls County West to rezone from C1 & CRO ZDA for property located at 630 Addison Avenue West. (PZ 19-0167)

P&Z Director Spendlove requested to adopt an ordinance for a Zoning District Change with a Zoning Development Agreement for the Twin Falls County West to rezone from C1 & CRO ZDA for property located at 630 Addison Avenue West. (PZ 19-0167).

Discussion ensued on the following:
Vice Mayor Pierce: What exactly changed?

MOTION: Council Member Boyd made a motion to suspend the rules and place ***Ordinance #2020-009*** on third and final reading by title only under suspension of the rules. **Council Member Lanting** seconded the motion. Roll call vote showed all members present voted in favor of the motion. Approved 7 to 0

MOTION: Vice Mayor Pierce moved to approve ***Ordinance #2020-009*** for a Zoning District Change with a Zoning Development Agreement for the Twin Falls County West to rezone from C1 & CRO ZDA for property located at 630 Addison Avenue West (PZ 19-0167). C**ouncil Member Boyd** seconded the motion. Roll call vote showed all members present voted in favor of the motion. 7 to 0.

g) **<u>ACTION ITEM:</u>** Request to adopt an ordinance for a Zoning District Change with a Zoning Development Agreement for Bach Investments, LLC to rezone from C-1 PUD to C-1 CRO ZDA for property located west of and adjacent to Canyon Crest Drive, north of Pole Line Road aka Westpark Commercial No. 11 a PUD. c/o Tim Vawser on behalf of Bach Investments, LLC. (PZ20-0001)

P&Z Director Spendlove requested to adopt an ordinance for a Zoning District Change with a Zoning Development Agreement for Bach Investments, LLC to rezone from C-1 PUD to C-1 CRO ZDA for property located west of and adjacent to Canyon Crest Drive, north of Pole Line Road aka Westpark Commercial No. 11 a PUD. c/o Tim Vawser on behalf of Bach Investments, LLC. (PZ20-0001)

Discussion ensued on the following: None

MOTION: Council Member Lanting made a motion to suspend the rules and place ***Ordinance #2020-010*** on third and final reading by title only under suspension of the rules. **Vice Mayor Pierce** seconded the motion. Roll call vote showed all members present voted in favor of the motion. Approved 7 to 0

MOTION: Council Member Lanting moved to approve the request to adopt an ***Ordinance #2020-010*** for a Zoning District Change with a Zoning Development Agreement for Bach Investments, LLC to rezone from C-1 PUD to C-1 CRO ZDA for property located west of and adjacent to Canyon Crest Drive, north of Pole Line Road aka Westpark Commercial No. 11 a PUD. c/o Tim Vawser on behalf of Bach Investments, LLC. (PZ20-0001). **Vice Mayor Pierce** seconded the motion. Roll call vote showed all members present voted in favor of the motion. 7 to 0.

h) **ACTION ITEM**: Review of proposed changes to Title 3 Business Regulations - Chapter 18 Commercial Vending.

P&Z Director Spendlove & Accounting Specialist Higgins presented proposed changes to Title 3 Business Regulations - Chapter 18 Commercial Vending.

Discussion ensued on the following:
Council Member Hawkins: Asked about meeting with some vendors during this process.
Vice Mayor Pierce: Spoke in favor of the "Ice Cream Trucks" being a part of the Solicitor Section of the City Code. Would there be any exceptions to the Solicitor Section?
Mayor Hawkins: How long does it take and how much does it cost to get the Solicitors License?
Council Member Boyd: Asked about Commercial Vendor License Fees?
Mayor Hawkins: Asked what needs to be done with this Chapter tonight.
Council Member Hawkins: Where does the Farmer's Market fit into this?
Mayor Hawkins: What is the time frame for this Code change?
City Manager Rothweiler: Explained the time frame and steps going forward.
Mayor Hawkins: Voiced concern regarding the Farmers Markets.
Council Member Hawkins: Spoke in favor of this Code change but expressed concern with taking away freedoms.
Council Member Barigar: Spoke in favor of this Code change.

MOTION: Council Member Barigar moved to direct staff to go forward with drafting an Ordinance for changes to Title 3 Business Regulations - Chapter 18 Commercial Vending. **Council Member Reid** seconded the motion. Roll call vote showed all members present voted in favor of the motion. 7 to 0.

6) GENERAL PUBLIC INPUT: To provide public input to the City Council please send to: Citizeninput@tfid.org

7) ADVISORY BOARD REPORT/ANNOUNCEMENTS

City Engineer Holtzen spoke about a road project within the City of Twin Falls that will close west bound traffic on Addison starting this week.
Vice Mayor Pierce: Asked about notifying the Citizens and businesses
Council Member Reid: Asked if the businesses know about this project or will it be a surprise? Believes that businesses should be given at least a week notification.
Council Member Hawkins: Asked about the direction of traffic that will be closed.
Council Member Barigar: Spoke in favor of the work around routes for this project.
City Manager Rothweiler spoke about the process and willingness to work with the contractor on this project.

City Council Meeting for May 26, 2002 has been cancelled. Next meeting will be at 4:00 pm on June 1, 2020.
Discussed the process of re-opening of the City.

8) PUBLIC HEARINGS: None

9) ADJOURNMENT

The meeting adjourned at 06:22 PM

Amy Luna

Amy Luna, Finance Administrative Assistant

Twin Falls City Council
Minutes

Monday, July 27, 2020, 5:00 PM

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

AMENDED

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 (by Phone).
Absent:	Council Member Shawn Barigar,
Staff Present:	City Manager Travis Rothweiler, Deputy City Manager Mitch Humble, CFO Breanna Howard, Budget Coordinator Mat Farnes, Police Chief Craig Kingsbury, Fire Chief Les Kenworthy, Fire Marshal Tim Lauda, Communication Center Director Tami Lauda, Information Technology Director Kathy Markus, Code Enforcement Coordinator Sean Standley, Human Resources Director Gretchen Scott, Network Administrator Mike Plane, Finance Administrative Assistant Amy Luna.

Mayor Hawkins called the meeting to order at 5:01 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:

a) Recommitment to Full Implementation of the Americans with Disabilities Act (ADA)

Mayor Hawkins read the proclamation for *Recommitment to Full Implementation of the Americans with Disabilities Act (ADA)*

4) CONSENT CALENDAR

MOTION: Council Member Hawkins moved to approve the Consent Calendar as presented. **Council Member Reid** 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 July 20, 2020, City Council Minutes.
b) **ACTION ITEM**: Request to approve the Alcohol License Application for Rock-A-Billy Barber & Tattoo Company.
c) **ACTION ITEM:** Request to hold the Twin Falls Chamber Mini Masters event.
d) **ACTION ITEM:** Request to approve the annual Joshua Way Block Party.

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 Lanting: Have we had any mortality rates for the Magic Valley?

Council Member Reid: Thanked Dr. Kern. What do we really know about COVID?

Council Member Hawkins: Were you able to get caught up with the surgery backlog?

Mayor Hawkins: How are the Doctors and Nurses doing this week? Are there any research results that you can get COVID a second or third time?

Mayor Hawkins thanked Dr. Kern for his presentation.

b) **PRESENTATION:** A presentation of the City Manager's Recommended Budget for FY 2021 followed by citizen input.

City Manager Rothweiler made a presentation of the City Manager's Recommended Budget for FY 2021.

Discussion ensued on the following:
Council Member Reid: Asked for clarification on the potential Tax Rate.
Council Member Lanting: Clarified the possible ramifications of the CARES Act funds.
Mayor Hawkins: Is this applicable to the School Districts? Council
Member

Focus Area 3 - Secure Community

Code Enforcement Director Stanley presented on Code Enforcement Budget:
Capital Projects - "Priority A"

Capital Projects -	
	$ 13,175

Council Member Lanting: Thanked Mr. Stanley for his efforts.
Mayor Hawkins: Thanked for their quick responses.

Fire Chief Kenworthy & Staff presented the Fire Budget:
Capital Projects - "Priority A"

Ladder Truck Lease -	$147,079
SCBA Bottles -	$ 18,500
Tablets -	$ 15,000
E-6 & E-7 Ready Reserve Equipment -	$ 7,700
Gym Equipment - Fire Station 1 -	$ 17,598
Capital Projects - "Priority B"	
Extrication Equipment for Engine 1 -	$ 19,405

Council Member Reid: Asked when the new ladder truck will be in use at the City?
Mayor Hawkins: Does the ladder truck go out on all calls?
Council Member Reid: Do you have room in the other stations for equipment?
Vice Mayor Pierce: Addressed the total of the Fire Budget.

Sergeant Allen presented the Police Budget:
Capital Projects - "Priority A"

Three Hybrid Patrol Vehicles -	$195,000
Miscellaneous Patrol Equipment -	$ 15,000
Handguns -	$ 7,200

Capital Projects - "Priority B"

Patrol Vehicles -	$ 65,000
In-Car Cameras -	$ 50,000
Drug Vault Roller Storage -	$ 33,000

c) **PRESENTATION:** A presentation of the Twin Falls Police Department's 2019 Annual Report.
Police Chief Kingsbury presented the Twin Falls Police Department's 2019 Annual Report.

Discussion ensued on the following:
Council Member Reid: What are some of the other "uses of force" that are not shown on the list?

Mayor Hawkins thanked Chief Kingsbury for his presentation.

d) **PRESENTATION:** A presentation of the Twin Falls Fire Department's 2019 Annual Report.
Fire Chief Kenworthy presented the Twin Falls Fire Department's 2019 Annual Report.

Discussion ensued on the following:
Council Member Lanting: How many Fire Stations does Rock Creek have?

Mayor Hawkins thanked Chief Kenworthy for his presentation.

e) **PRESENTATION:** Fire Protection Systems Inspection Third Party Reporting Discussion.
Fire Marshal Lauda presented the Fire Protection Systems Inspection Third Party Reporting Discussion.

Discussion ensued on the following:
Mayor Hawkins: Asked for clarification on the fees.
Council Member Reid: Spoke in favor of this option.
City Manager Rothweiler: Gave additional clarification.

Mayor Hawkins thanked Fire Marshal Lauda for his presentation.

f) **ACTION ITEM:** Request to allocate $80,000.00 funds from contingency reserves to replace the roof at Fire Station One.
Fire Chief Kenworthy made a request to allocate $80,000.00 funds from contingency funds or reserves funds, to replace the roof at Fire Station One.

Discussion ensued on the following: None

MOTION: Council Member Reid moved to approve the request to allocate $80,000.00 funds from contingency funds or reserves funds, to replace the roof at Fire Station One. **Vice Mayor Pierce** seconded the motion. Roll call vote showed all members present voted in favor of the motion. 6 to 0.

6) GENERAL PUBLIC INPUT: To provide public input to the City Council please send to: Citizeninput@tfid.org
Emails received are attached.

7) ADVISORY BOARD REPORT/ANNOUNCEMENTS
Council Member Reid reported on the Library Board Committee meeting. Two trustees will be leaving, so if anyone is interested please contact the Library.

8) PUBLIC HEARINGS: None

9) ADJOURNMENT

a) **ACTION ITEM:** REQUEST TO ADJOURN TO EXECUTIVE SESSION:

§ 74-206(1)(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement.

MOTION: Council Member Boyd moved to ADJOURN TO EXECUTIVE SESSION: § 74-206(1)(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement. **Vice Mayor Pierce** seconded the motion. Roll call vote showed all members present voted in favor of the motion. 6 to 0.

The meeting adjourned at 07:45 PM

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Amy Luna, Finance Administrative Assistant

BEFORE THE CITY COUNCIL
OF THE CITY OF TWIN FALLS

In Re:	)	
	)	
Zoning District Change & Zoning Map Amendment,	)	FINDINGS OF FACT,
Application,	)	
	)	CONCLUSIONS OF LAW,
Gary Nelson	)	
c/o EHM Engineers, Inc.	)	
	)	AND DECISION
Applicant(s)		

This matter having come before the City Council of the City of Twin Falls, Idaho on **Monday, July 20, 2020** for public hearing pursuant to public notice as required by law for a Zoning District Change and Zoning Map Amendment from **R-2, R-4 PRO, C-1 PUD** to **C-1 ZDA** for **8.5** acres (+/-) for property located **at the northwest corner of Addison Avenue East and Carriage Lane** 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 Map Amendment from **R-2, R-4 PRO, C-1 PUD** to **C-1 ZDA** for **8.5** acres (+/-) for property located **at the northwest corner of Addison Avenue East and Carriage Lane.**

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

3. The property in question is zoned **R-2, R-4, R-4 PRO, C-1 PUD** pursuant to the Zoning Ordinance of the City of Twin Falls. The property is designated as **Mixed Use/Neighborhood Commercial & 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 Apartments**; to the south, **Addison Avenue East/Commercial**; to the east, **Addison Springs Apartments**; to the west, **Vacant**.

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 Map Amendment from **R-2, R-4 PRO, C-1 PUD** to **C-1 ZDA** for **8.5** acres (+/-) for property located **at the northwest corner of Addison Avenue East and Carriage Lane** is

consistent with the purpose of the **C-1 ZDA** Zone, and is not detrimental to any of the outright permitted uses or existing special uses in the area.

2. The proposed use is consistent with the provisions of the Comprehensive Plan and Zoning Ordinance of the City of Twin Falls, and in particular Sections **10-1-4, 10-1-5, 10-4-2, 10-4-11, 10-8-1 through 6, 10-14-1 through 6** of the Twin Falls City Code.

3. The proposed use is proper use in the **C-1 ZDA** Zone, subject to the conditions, which are attached as "Exhibit No. A", and incorporated by reference as though fully set forth herein.

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 Map Amendment from **R-2, R-4 PRO, C-1 PUD** to **C-1 ZDA** for **8.5** acres (+/-) for property located **at the northwest corner of Addison Avenue East and Carriage Lane** should be granted, subject to all applicable requirements of the Zoning Ordinance, Adopted Standard Drawings and City code of the City of Twin Falls and to the conditions which are attached as "Exhibit No. A", and 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 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 to the conditions which are attached as "Exhibit No. A", and incorporated by reference as though fully set forth herein.

MAYOR - TWIN FALLS CITY COUNCIL

DATE

"EXHIBIT NO. A"

1. Subject to site plan amendments as required by Building, Engineering, Fire and Zoning Officials to comply with applicable City Codes and standards.

APPLICATION #: PZ20-0062

	Date:	Monday, August 3, 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 $3.44 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 $605,195,031, which is an increase of $48,866,458. Collectively, the taxable values for both the City of Twin Falls and Twin Falls Urban Renewal Agency totals $4,048,845,712. 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 of 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 $1,416,814 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

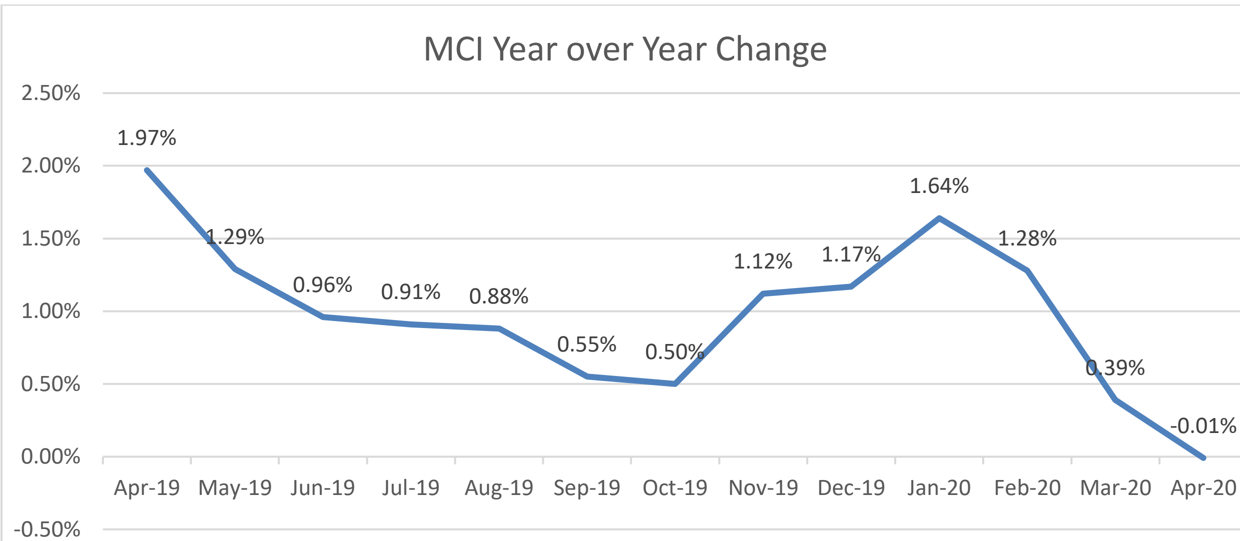
- According to the Idaho Department of Labor's Twin Falls County Workforce Trends report, Twin Falls County had an unemployment rate of 2.6% in March 2020. This compares to the State of Idaho unemployment rate of 2.5% and a national unemployment rate of 3.5%. The unemployment rate for Twin Falls County 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.

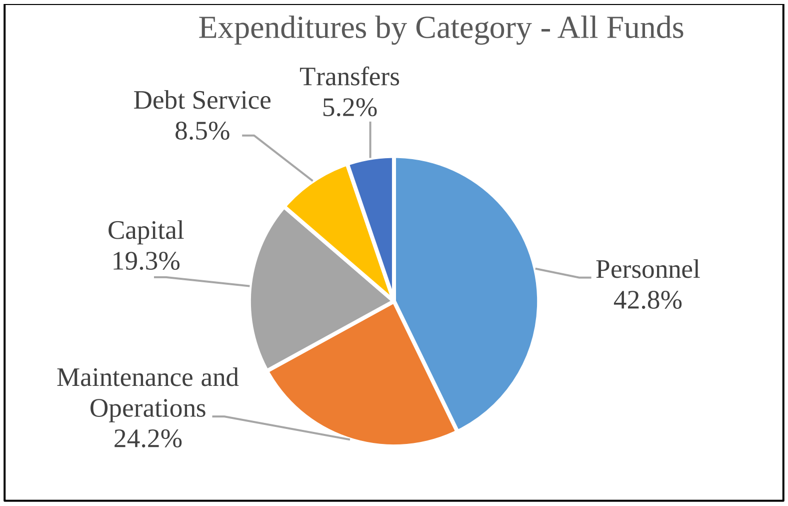
The MCI draws on the monthly statistical data collected by the U.S. Departments of Commerce and Labor as well as independently compiled data to project a composite cost picture. From April 2019 to April 2020, the most recent data available, the MCI decreased 2.19 points or -.86% to 251.13. The Consumer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

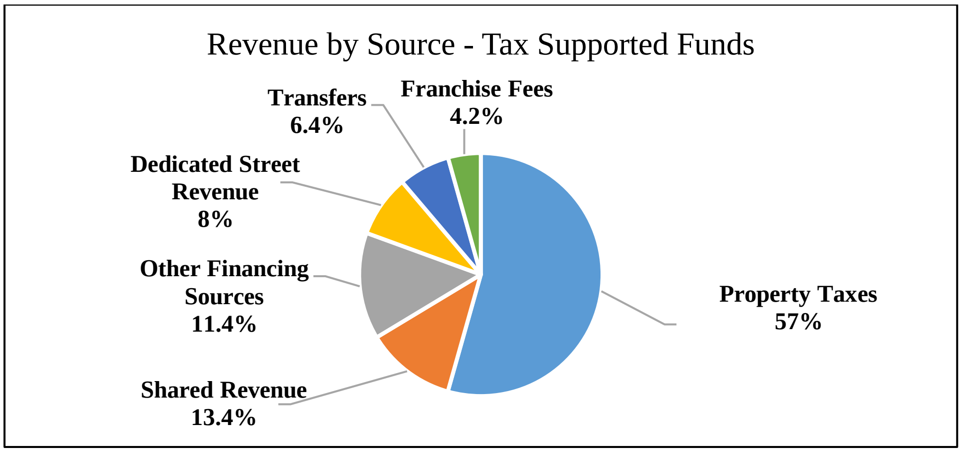
Expenditures in this budget are classified under one of five major categories – Personnel, Maintenance and Operations, Capital, Debt Service and Transfers. The graph below shows the relative percentage of FY 2021 budget expenditures for the five major categories in all funds combined.



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.



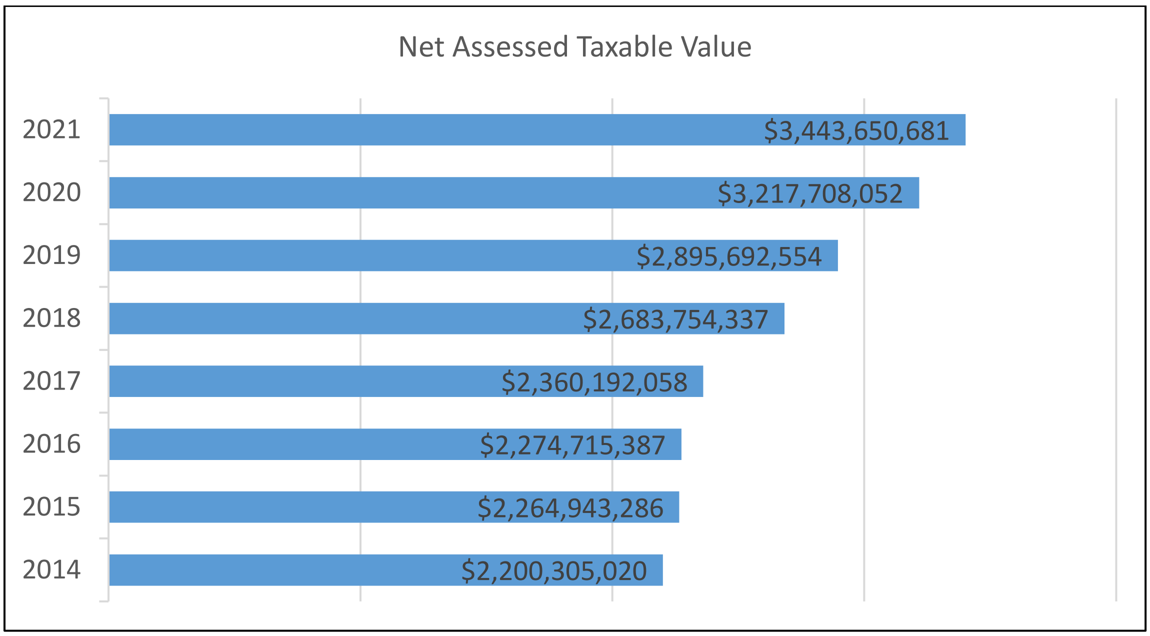
Enterprise Funds account for services financed through the assessment of user-fees. The main goal or purpose of these business-like funds is to provide services to customers at a price that will cover both the current cost of operations and the purchase and maintenance of necessary capital assets. Net 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 $225,942,629, or 7%, from $3,217,708,052 to $3,443,650,681. 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

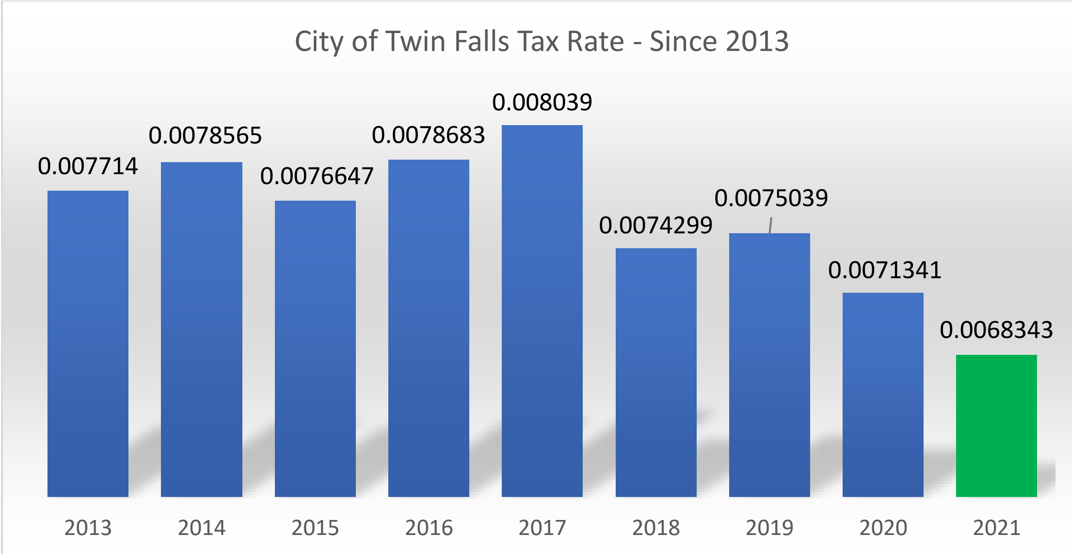


It is important to note the City's taxable value excludes the taxable value of the properties located in the Twin Falls Urban Renewal Agency revenue allocation areas. The entirety of the URA's properties are located in the City and have a value of $605,195,031. Collectively, the taxable values for both the City of Twin Falls and Twin Falls Urban Renewal Agency total $4,048,845,712. 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 $6.83 per $1,000 (0.0068343) 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.

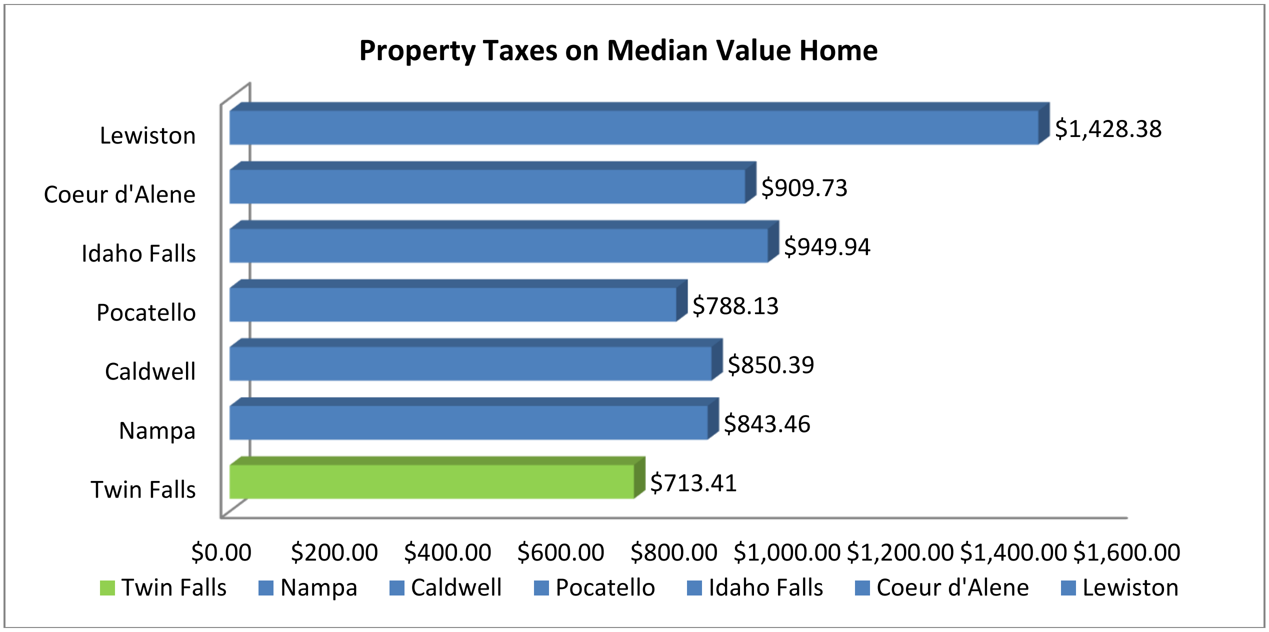


<u>How does our Tax Rate compare to the other, large full-service Idaho cities?</u>

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

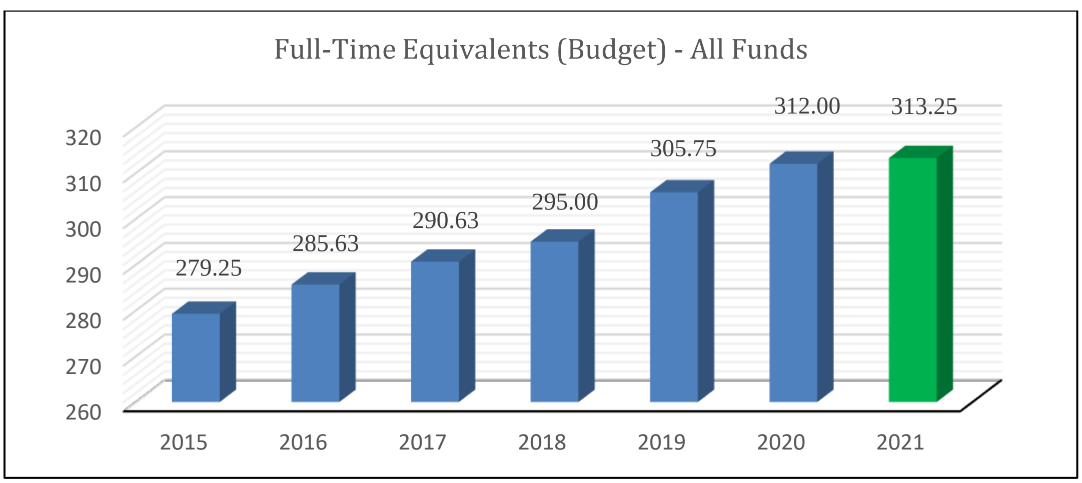
Note: Idaho's median value of an owner-occupied home for this same period of time was $267,000.



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.



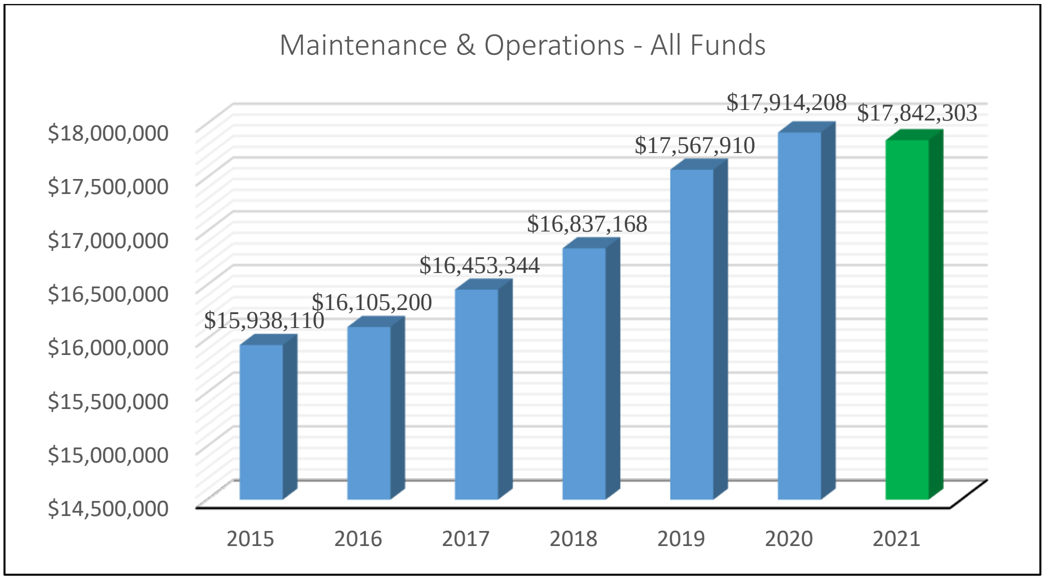
The City of Twin Falls currently has a total of 312.00 full-time professionals working to deliver services to the citizens of Twin Falls for FY 2021, a net total of 1.25 FTEs were added to the budget, a majority of which are offset by existing revenue. The new positions bring the City of Twin Falls total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



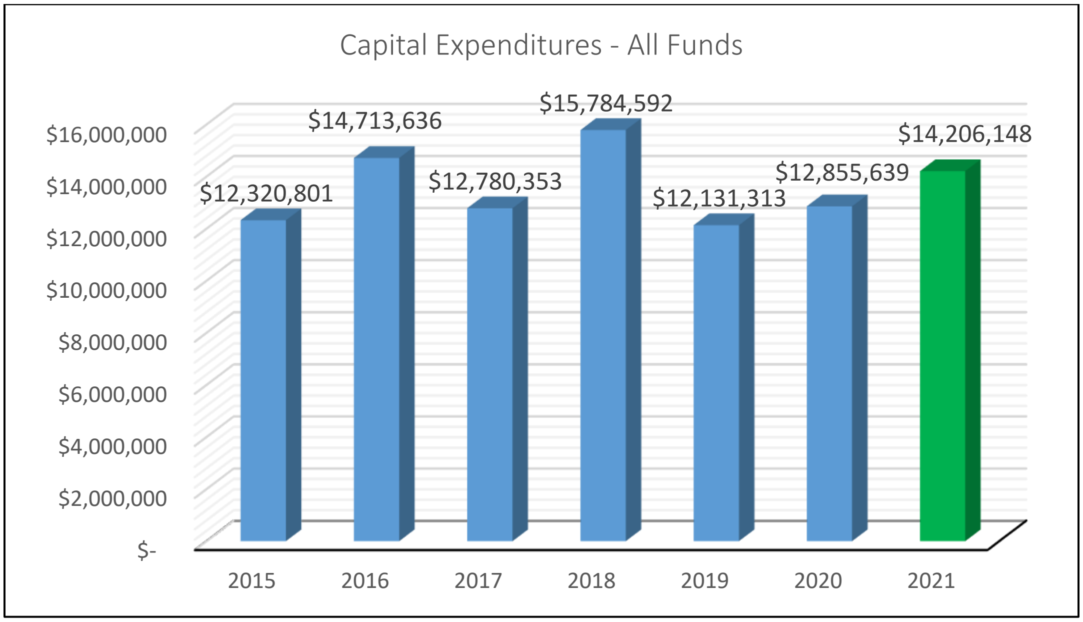
CAPITAL FUND AND TOTAL CAPITAL INVESTMENT

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.

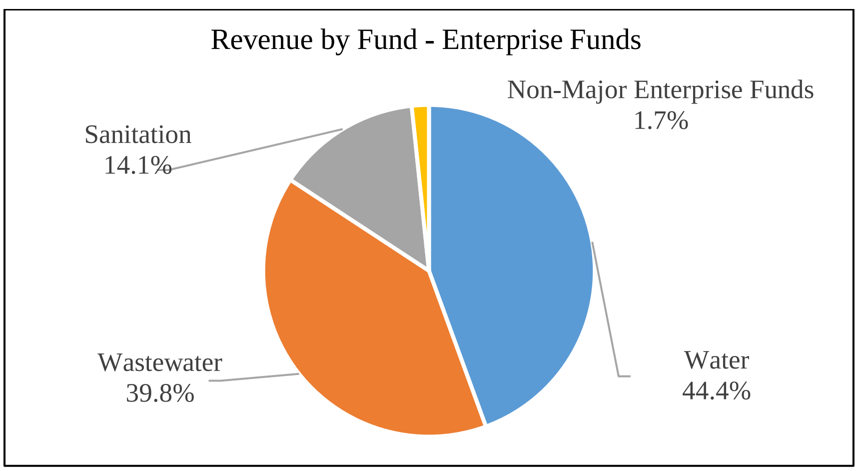
A small sampling of the capital initiatives that have been funded in this budget include: making improvements to our water, wastewater and transportation systems; improving our trail systems; making miscellaneous park improvements; rotating our fleet, vehicles, machinery and equipment; improvements to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

ENTERPRISE AND OTHER MAJOR AND NON-MAJOR FUNDS
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. Revenues and Reserves for the Enterprise Funds total $26,793,139.



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	$1,416,814.00
FY 2021	$697,681.00	$2,114,495.00

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.

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.).

	FY 2020 Adopted Budget	**FY 2021 Recommended Budget**	**Variance FY 2020 as developed by City Manager**	**FY 2021 with CRF Tax Relief**	**Variance FY 2020 for CRF Tax Relief**
Property Tax	Tax Rate: $7.13/$1,000 of taxable value	Tax Rate: $6.83/$1,000 of taxable value	Tax Rate: -$.30/$1,000 of taxable value	Tax Rate: $5.15/$1,000 of taxable value	Tax Rate: -$1.98/$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)*	**$737.98** *(annual)* **$61.50** *(monthly)*	**$24.98** *(annual)* **$2.08** *(monthly)*	**$556.46** *(annual)* **$46.37** *(monthly)*	**-$156.54** *(annual)* **-$13.05** *(monthly)*
Utility Bills					
Average Residential Customer Comsumption of:					
Water - 18,000 gallons	$49.89	$49.89	$0.00	$49.89	$0.00
Sewer - 12,000 gallons	$27.27	$27.27	$0.00	$27.27	$0.00
Sanitation & Recycling	$17.79	$17.79	$0.00	$17.79	$0.00
Total Utility Bills	$94.95	$94.95	$0.00	$94.95	$0.00
Monthly Total of Property Tax and Utility Bills	**$154.37**	**$156.45**	**$2.08**	**$141.32**	**-$13.05**

The exact amount of tax credit received will not be known until October 2020 when all cities and county budgets are certified, and all public safety salaries are calculated. Based on the initial guidance supplied by the Governor's Office, we are estimating that our citizens will receive $5,978,324 in total property tax relief from the CARES funds. This will cause the City's functional tax rate to decrease to approximately $5.15/$1,000. This will save an estimated $156.54 in city property tax savings for our taxpayers who own and live in a home valued at $208,050, which is the median home value per Zillow.

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.

Citizen Input can be made after the presentation in person or by calling: 1-208-939-6718, Conference ID: 302 992 202#. In addition, by email to Citizeninput@tfid.org.

Date: Monday, August 3, 2020

To: Honorable Mayor and City Council

From: Mark Holtzen, Jon Caton

ACTION ITEM

Request:

Request to advance road construction and other transportation-related projects plus the reconstruction of Hankins Road as described in the Accessible Community Focus Areas of the FY 2020-2021 Budget.

Time Estimate:

30 minutes plus time for Council Discussion & Question

Background:

The purpose of the presentation is to share with Council several proposed projects that are not yet funded, discuss the projects and associated costs in detail, and request Council's input on project prioritization. Ultimately, the goal would be to create clear project priorities in alignment with our Strategic Plan, and then request funding for projects. Due to lack of available funds, not all projects will be funded. However, depending on funding source, some may become part of the proposed FYE21 budget, while others may be potentially funded with Street Reserves. If Street Reserves are used, Staff may request Council Authorization to begin work immediately.

The 6 projects previously presented are listed below in order of Staff's suggested priority:

1. Hankins Road South Reconstruct: $3,000,000 (The estimate was refined and has been increased)
2. Harmon Park Parking Lot: $500,000
3. Wendell Sidewalk - Falls to Robbins: $419,100 (Includes Design & Construction)
4. Eastland Sidewalk - btw S. Temple and N. Temple Dr.: $55,000 (Design & Construction)
5. Elizabeth Sidewalk- East of Madrona: $529,000 (Includes Design & Construction)
6. Floral Avenue New Construction: $450,000 - $2,800,000 (or potentially $0, Do Nothing)

Future Projects in development, not ready for funding:
Filer Ave. and Washington Intersection: $1,200,000
Orchard Ave. East of Blue Lakes: $450,000
Hankins Ave. N. - Filer to Stadium: TBD
Eastland widening near Hillcrest: TBD

There are several funding sources available and a few different viable options that Staff will present to Council for their consideration.

Approval Process:

Requires Council Approval

Budget Impact:

The total fiscal need for these 6 projects, depending on selected alternatives, is approximately in the range: $4,500,000 up to $7,300,000

Total Potential funding available is $6,060,000 from the following sources:
Unrestricted Street Reserves:$4,500,000 - Staff recommends using not more than $3,000,000 of the Street Reserve
New Growth Property Tax:$540,000
Council Directed Capital:$770,000
Proposed FYE21 Capital New Construction: $250,000

Regulatory Impact:

N/A

History:

N/A

Analysis:

N/A

Conclusion:

Staff recommends that Council approve funding for the reconstruction of Hankins Road South and authorize Staff to begin work immediately, and further recommend the other projects be prioritized and funded by Council as allowed by the budget.

Attachments:

None