



Talk with the Mayor

Discussion:

City goals, finance, impact fees, utility rates, parks.

Tuesday January 8, 2013
10:00 A.M. City Hall
6:30 P.M. City Hall

MAYOR'S OPENING MESSAGE

The Mayor, City Council, Planning and Zoning Commission, and Staff try to do what is desired by, and best for, a majority of City residents. We believe that City leaders are accountable for their actions. We want to report City business to you, 12 months after Mayor Taylor, Councilmember Huggins, and Councilmember Spencer took office.

CITY OF MIDDLETON GOALS

- 1) Provide utilities and services required by law and desired by a majority of residents.
- 2) Keep costs, taxes, and fees as low as possible.
- 3) Provide accurate and prompt customer service with a smile.
- 4) Remove unnecessary regulation, keep government small.

OTHER LOCAL GOVERNMENT

In the Middleton area, there are other local government entities that have their own offices, organizations, elected officials, and collect their own taxes: Canyon Highway District No. 4, Cemetery District, Middleton Rural Fire District, Greater Middleton Parks and Recreation District, Middleton School District #134, and several irrigation and drainage districts, companies or water delivery associations. These other local government entities are NOT under City of Middleton leadership.

CITY GOVERNMENT

Middleton is a municipality governed by Idaho Code, it is a political subdivision of the State of Idaho and has about a five-million dollar yearly budget. The City's fiscal year is from October 1 to September 30. Proposed City budgets are published and adopted in July/August each year. Sewer systems are usually the most expensive utility for a City. State law requires the City to provide potable water, sewer, streets, stormwater, public safety, and trash services to paying residents.

Under Idaho law, cities may, but are not required to, provide airports, libraries, parks, pathways, pools, economic development, golf courses, etc. In 2012, the City of Middleton has focused on reducing costs to residents and limiting City government to those services required by Idaho law. The only "optional" services provided by the City of Middleton are a library, parks, and pathways.

Caldwell, Nampa, Meridian and Boise are going to get the fancy restaurants and big businesses. Middleton is a livable community with nice people, great schools, and low crime. We like it that way, and want to keep it that way!

CITY BANK ACCOUNTS

The City has a checking account that it uses for deposits and to pay bills. It also has interest-bearing accounts to hold money until spent. Approximate City account balances are:

\$51,717.97 Syringa Bank checking account
\$250,000 Syringa Bank savings account
\$250,000 Pioneer Credit Union savings account
\$6,099,384.91 Local Government Investment Pool savings account

The City is working with IDADIV for a savings account and competitive rate.



Happy New Year

CITY FUNDS

City finances are audited each year to determine if the City is following state and federal accounting rules and principals. City accounting is organized into seven funds, each with several revenue sources. Middleton City "funds" are:

- General Fund** – administrative, public safety, building, zoning, and facility maintenance
- Sewer Enterprise Fund** – revenue spent only on sewer system maint. and improvements
- Water Enterprise Fund** – revenue spent only on water system maint. and improvements
- Streets Fund**
- Stormwater Fund**
- Library Fund**
- Parks Fund**
- Garbage Fund** – revenue pays only expenses to solid waste disposal contractor

CITY BONDS

2002 Sewer Bond for \$1,200,000, balance of \$966,097.31. City budgeted to pay \$500,000 in 2013.
2009 Sewer Bond for \$2,800,000.

In 2011, the City approved a funding plan to construct the sewer treatment plant improvements now about 40% complete. The City paid the first \$2.1 Million, and the U.S. Dept. of Agriculture – Rural Development (USDA-RD) will loan the City \$2.8 Million and then grant the City \$2 Million all in 2013. The City approved bonds to be sold to securities investors, and bond proceeds will pay the short-term loan from the federal government. Monthly base-rate sewer fees pay the bond investors the original bond amount plus interest.

WASTEWATER TREATMENT PROJECT (WWTP)

- 2006** Federal Environmental Protection Agency (EPA) issued a compliance order to Middleton for not timely renewing its permit to discharge treated wastewater into the Boise River.
- 2006-11** The City completed the facility plan and design.
- Oct 2011** The City approved a funding plan, hired Ewing Company to construct the upgrades, and hired Holladay Engineering Company to provide engineering services relating to the construction. The upgrades were estimated to cost approximately \$ 7 Million.

WASTEWATER TREATMENT PROJECT (WWTP) continued

- \$2.1 Million City funds
- \$2.8 Million Loan from U.S. Dept. Agriculture –Rural Development (USDA-RD)
- \$2.0 Million Grant from USDA-RD

- Feb 2012** Based on recommendations, the City advertised and hired a company to review the facility plan and design. After review, the Brown and Caldwell engineering firm identified about six items the City could add/change to comply with state and federal requirements and maximize the facility's equipment and efficiency (lower costs for residents).
- Aug 2012** City Council budgeted money to complete the construction with the additional/ changed items, but discussed waiting to purchase a sludge de-watering press (about \$800,000).
- July/Aug 2013** The upgraded wastewater treatment facility is scheduled to be operational.

CITY UTILITIES

In November 2012, there were 2081 total accounts (business and residential connections to City utilities). 155 paid late, 38 were shut off. This pattern mirrors other months. About the same amount of late fees were collected in 2012 and in 2011, but tension on water shutoff day has decreased substantially.

YTD 2012	\$10.00 Late Fees	\$13,256.26
YTD 2012	\$15.00 Svc. Restoration Fees	\$4,344.57
2011	\$25.00 Late Fees	\$18,573.63

The City is hiring JUB Engineering to perform a "utility rate study" to ensure residents do not pay one cent more, or one cent less, than is necessary in monthly utility bills. Completion of the study is anticipated in March 2012.

Property owners (not tenants) are eligible to receive a refund of the \$100.00 utility deposit held by the City if their account has been open at least 24 months without paying late. Please contact the City at 585-3133 to request a refund if you think you qualify. After a deposit is refunded, the City will require you pay it again if a late fee is assessed to your account. The City annually mails a reminder of the refund procedure to qualifying residents, so please make sure the City has your mailing address.

LEGAL SERVICES

- City Attorney: Chris Yorgason, Yorgason Law Office, \$150 per hour to advise staff on day-to-day legal questions, and advise City Council at its meetings.
- City Prosecuting Attorney: Sarah Hallock-Jayne, Hamilton Michaelson and Hilty LLP, \$1,500 per month, to prosecute citations and criminal cases arising in Middleton.
- City Bond Attorney: Susan Buxton/Stephanie Bonnie, Moore Smith Buxton and Turcke, to prepare 2009 bond documents and advise the City on bonding procedures.
- City Litigation Attorney: Jeff Smith, Moore Smith Buxton and Turcke, \$260 per hour (divided equally among two-or-three of Mr. Smith's other clients) in the Integrated Municipal Application Package (IMAP) protested by several cities and irrigation districts against United Water's water-right application filed at the Idaho Department of Water Resources in about 2004. The cities are trying to protect their water rights against interference by United Water.
- City Litigation Attorney: Todd Lakey, Borton Lakey Law Offices, \$150 per hour to defend two tort claims Holladay Engineering delivered to the City in 2012.

IMPACT FEES

In 2006, the City prepared an impact fee study, adopted an impact fee ordinance, and approved impact fees for streets, fire and parks based on the study. In 2009, the City repealed the impact fee ordinance, and re-adopted it following the procedure in Idaho Code. In 2011, the City approved a one-year moratorium from collecting impact fees and several advisory committee members resigned.

In 2012, a full advisory committee was appointed by Council and convened to compare Idaho Code requirements for impact fees with the City's impact fee study, ordinance and fees. The advisory committee consisted of the following individuals: Jeremy Fielding (surveyor), Kellie Herbert (Realtor), Alan Mills (developer), Gary Schrecongost, and Committee Chairman Justin Walker (engineer).

The advisory committee presented its four-page findings and recommendations to City Council on June 6, 2012, recommending the City "repeal the impact fee ordinance, refund impact fees collected (required by State law), update the City's capital improvement plan, operate capital improvements with other funding sources, and consider creating an impact fee for a specific, city-wide beneficial project."

Other funding sources include developer exactions (land, right-of-way, on-site and off-site street/utility improvements), developer cash/non-cash contributions (IRS form 8283), public-private funding, grants, application fees, and property taxes. Impact fees collected totaled \$128,620.15.

IMPACT FEES continued

The City Council accepted the advisory committee's findings and recommendations. The ordinance was repealed and impact fees refunded.

The City is working on a five-year plan to upgrade and expand City parks. Once the plan is complete and implementation underway, the City will update the capital improvement plan and consider adopting an impact fee for sidewalks and parks in 2013-14.

CITY PARKS

The City owns and maintains four parks: Middleton Place Park (aka Harmon Park), Roadside Park (aka Tank Park), Davis Park (SW corner of Hwy 44 and Middleton Rd), and Grove Park (across the street south of Pioneer Credit Union). The City budgeted \$80,000 to improve Middleton Place Park by electricity to the park, refurbishing restrooms, installing drinking fountains, installing water spigots near pavilions, adding playground equipment and other park features, and installing a walking path, benches, shade trees, flowers, and shaded benches.

The Greater Middleton Parks and Recreation District, not the City of Middleton, owns and maintains three parks: Payne Park, Hawthorne Park, and Foote Park.

FY 2012 Budget Report As of September 30, 2012

Combined Funds Revenue	Current Month	YTD Received	Budgeted	Inearned Revenue
General Fund Revenue	\$44,991.00	\$1,080,437.00	\$908,850.00	-\$171,587.00
Street Fund Revenue	\$5,621.00	\$881,684.00	\$4,622,268.00	\$3,740,584.00
Park Fund Revenue	\$481.00	\$188,250.00	\$187,500.00	-\$750.00
Library Fund Revenue	\$504.00	\$129,530.00	\$133,346.00	\$3,816.00
Garbage Fund Revenue	\$32,695.00	\$401,417.00	\$380,350.00	-\$21,067.00
Water Fund Revenue	\$51,463.00	\$673,154.00	\$1,281,713.00	\$608,559.00
Sewer Fund Revenue	\$115,900.00	\$1,950,648.00	\$6,005,979.00	\$4,055,331.00
Impact Fee Fund Revenue	\$21.56	-\$30,408.29	\$0.00	\$30,408.29
Total	\$251,676.56	\$5,274,711.71	\$13,520,006.00	\$8,245,294.29
	1.9%	39.0%	100%	61.0%

Combined Funds Expenditure	Current Month	YTD Expense	Budgeted	Balance
General Fund Expenditure	\$25,762.00	\$648,177.00	\$908,850.00	\$260,673.00
Street Fund Expenditure	-\$42,081.00	\$647,255.00	\$4,622,268.00	\$3,975,013.00
Park Fund Expenditure	\$6,671.00	\$99,661.00	\$187,500.00	\$87,839.00
Library Fund Expenditure	\$11,817.00	\$99,430.00	\$133,346.00	\$33,916.00
Garbage Fund Expenditure	\$796.00	\$366,084.00	\$380,350.00	\$14,266.00
Water Fund Expenditure	\$7,372.00	\$648,568.00	\$1,281,713.00	\$633,145.00
Sewer Fund Expenditure	-\$126,218.00	\$1,882,458.00	\$6,005,979.00	\$4,123,521.00
Impact Fee Fund Expenditure	\$0.00	-\$13,697.36	\$0.00	\$0.00
	-\$115,881.00	\$4,377,935.64	\$13,520,006.00	\$9,128,373.00
	-0.9%	32.4%	100%	67.5%

Funds	Available Cash	Basic Investment	Reserve Investment
			*Cannot be used for O&M
General	\$35,358.26	\$1,232,921.63	\$0.00
Street	\$1,111.71	\$1,358,008.36	\$0.00
Parks	\$35,843.31	\$305,301.30	\$0.00
Library	\$3,884.61	\$255,566.83	\$0.00
Garbage	-\$3,421.40	\$124,056.74	\$0.00
*Water	\$69,820.55	\$135,079.57	\$1,124,861.77
*Sewer	\$6,134.46	\$1,118,288.97	\$1,475,206.50
Impact Fee	\$0.00	\$85,225.82	\$0.00

Combined available Cash in Bank	\$148,731.50		
Combined Investment in LGIP		\$4,614,449.22	
Combined Investment in LGIP			\$2,600,068.27

Total Combined Cash **\$7,363,248.99**

FY 2013 Year-to-Date Budget Report As of November 30, 2012

Combined Funds Revenue	Current Month	YTD Received	Budgeted Inearned Revenue	
General Fund Revenue	\$35,413.95	\$92,083.70	\$889,508.85	\$797,425.15
Street Fund Revenue	\$55,932.96	\$91,406.72	\$1,355,432.00	\$1,264,025.28
Park Fund Revenue	\$8,234.02	\$15,547.42	\$223,596.00	\$208,048.58
Library Fund Revenue	\$3,575.38	\$8,103.78	\$134,514.00	\$126,410.22
Garbage Fund Revenue	\$32,649.45	\$64,779.71	\$395,297.00	\$330,517.29
Water Fund Revenue	\$76,170.84	\$133,679.67	\$593,970.00	\$460,290.33
Sewer Fund Revenue	\$119,962.15	\$223,170.53	\$8,342,190.00	\$8,119,019.47
Impact Fee Fund Revenue	\$16.92	\$16.92	\$0.00	-\$16.92
Total	\$331,955.67 2.8%	\$628,788.45 5.3%	\$11,934,507.85 100%	\$11,305,719.40 94.7%

Combined Funds Expenditure	Current Month	YTD Expense	Budgeted	Balance
General Fund Expenditure	\$51,761.01	\$87,399.33	\$889,508.85	\$802,109.52
Street Fund Expenditure	\$79,091.11	\$131,149.16	\$1,355,432.00	\$1,224,282.84
Park Fund Expenditure	\$7,521.89	\$13,676.01	\$223,596.00	\$209,919.99
Library Fund Expenditure	\$9,190.20	\$17,794.54	\$134,514.00	\$116,719.46
Garbage Fund Expenditure	\$60,515.03	\$91,412.49	\$395,297.00	\$303,884.51
Water Fund Expenditure	\$24,920.88	\$81,154.30	\$593,970.00	\$512,815.70
Sewer Fund Expenditure	\$419,523.87	\$1,166,190.46	\$8,342,190.00	\$7,175,999.54
Impact Fee Fund Expenditure	\$0.00	\$0.00	\$0.00	\$0.00
	\$652,523.99 5.5%	\$1,588,776.29 13.3%	\$11,934,507.85 100%	\$10,345,731.56 86.7%

Funds	Available Cash	Basic Investment	Reserve Investment
			*Cannot be used for O&M
General	\$567,135.80	\$1,183,466.75	\$0.00
Street	-\$39,118.54	\$1,358,502.16	\$0.00
Parks	\$37,599.88	\$305,416.14	\$0.00
Library	-\$5,871.07	\$255,662.97	\$0.00
Garbage	-\$30,502.36	\$124,103.41	\$0.00
*Water	\$124,792.23	\$135,129.65	\$1,125,284.91
*Sewer	-\$638,504.43	\$909,784.43	\$1,384,550.96
Impact Fee	\$0.00	\$85,257.85	\$0.00

Combined available Cash in Bank	\$15,531.51		
Combined Investment in LGIP		\$4,357,323.36	
Combined Investment in LGIP			\$2,509,835.87

Total Combined Cash		\$6,882,690.74	
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PROFESSIONAL ENGINEERING

- City Engineer:** Amy Woodruff, Civil Dynamics \$105 per hour to review plans, specifications, developer's subdivision and utility designs, inspect constructed improvements, and advise staff on day-to-day engineering questions, and advise City Council at its meetings.
- Sewer/Wastewater:** Larry Rupp/Jason King, Keller & Associates Engineering, to provide engineering services relating to construction of the wastewater (sewer) treatment facility upgrades (about \$349,352 YTD).
- Stormwater:** Brian Jackson at SPF Water and Jack Harrison at HyQual, to document City compliance with its federal stormwater (NPDES) permit and to prepare the City's Annual Report and Monitoring Report (about \$8,115 YTD).
- Floodplain:** Steve Holt at TO Engineering to compare Middleton's floodplain ordinance to federal floodplain regulations, to verify the floodplains identified on the Federal Emergency Management Agency's (FEMA's) floodplain maps to minimize the number of residences in the floodplain, and to determine and certify Middleton's wastewater plant is outside of the floodplain (about \$3476 YTD).
- Water:** SPF Water
- Streets:** S. Highland Dr. - Joel Grounds, Precision Engineering, road design (about \$4,350 YTD), construction scheduled April/May 2013. The City will be mailing landowners in Highlands subdivision an invitation to meet on January 10, 2013 to review the draft design for improvements to S. Highlands Dr. and Willow Cir.
- Minot Rd. - Joel Grounds, Precision Engineering, road design (about \$32,120 YTD), construction scheduled April/May 2013.
- S. Cemetery Rd. - Bryan Foote, Horrocks Engineering, environmental survey and design (about \$12,424 YTD). This \$450,000 project is 92.66% federally funded. Construction anticipated 2014/2015 or after.

Professional Services Fee Payment Summary 2011 and 2012

Moore Smith Buxton and Turcke	
2011 Total Payment	\$ 57,733.44
1/1/12 - 12/18/12 Payment YTD	\$ 6,897.88
Yorgason Law Office, PLLC	
2011 Total Payment	\$ 0.00
1/1/12 - 12/18/12 Payment YTD	\$ 77,575.85
Holladay Engineering	
2011 Total Payment	\$ 560,915.43
1/1/12 - 12/18/12 Payment YTD	\$ 157,701.09
Civil Dynamics, PC	
2011 Total Payment	\$ 0.00
1/1/12 - 12/18/12 Payment YTD	\$ 128,548.39

CITY PROBLEMS

In 2012, the City identified three main problems that cost residents extra money or cause frustration. If not avoided, these problems will get worse, not better:

- 1) Complying with the EPA's wastewater permit and compliance order,
- 2) Complying with EPA's stormwater permit,
- 3) Rising flood insurance premiums and always-expanding FEMA floodplains, and
- 4) Congestion on State Highway 44 in downtown Middleton, especially during peak hours.

The City is taking every step possible to reduce future engineering, equipment, facility, sampling, monitoring, and reporting costs associated with complying with federal permits and standards, which always become more stringent, cost more, and are harder to comply with.

The City is amending its area of impact boundary, comprehensive plan, ordinances, and public works standards: 1) to add land-application of wastewater as a treatment method; 2) to implement development and road construction designs and standards that eliminate or limit the collection of stormwater needing treated; 3) to encourage growth toward higher ground (getting out of floodplains and possible future floodplains); 4) to encourage, preserve and construct additional east-west roads at Minot and Concord roads, connect existing segments of Willis Road, and a local road south of Highway 44 and north of the Boise River; 5) and to attract new businesses (which pay more taxes and lighten the load on residents).

CITY COMMUNICATION

The City is re-configuring its website to make it easy-to-use and find the information you want without having to call or come into City Hall. We anticipate the new website will be launched by March 2013. Attendance at monthly meetings to "talk with the Mayor" has dwindled, but the Mayor continues to schedule these meetings at 10:00 am and 6:30 pm on the second Tuesday of each month. This Middleton FrontPage monthly newsletter has proven effective and is liked by many, at a cost of about \$275 per month.

MAYOR'S CLOSING MESSAGE

We included full revenue and expense reports for Fiscal Year 2012 and year-to-date Fiscal Year 2013 in this issue of the FrontPage. Please call me at 697-4354 or Administrative and Communications Coordinator Becky Crofts at 585-3133 if you have questions or comments about the reports or other subjects discussed in this issue.

A portion of my letter to Gazette on December 13, 2012 is re-printed below. It summarizes my first year in office, thanks Middleton residents for their support, and lists some accomplishments and changes.

Middleton City News - Submitted to Gazette 12/13/12 Letter to Middleton Residents from Mayor Taylor

Merry Christmas! We have had a great year and accomplished much. Together, we have celebrated Memorial Day, 4th of July, and Veterans Day ... and together we have mourned the passing of several people we know and love. We have struggled to transition from one City administration to another, and have emerged better for it.

I appreciate being part of the Middleton community with thoughtful people who watch out for each other, help those in need, and share their time and talent with the youth in music, sports, scouts and other youth activities. Middleton is a great place to live!

CITY CODE ENFORCEMENT

In 2012, the City received 45 complaints alleging violations of Middleton's weed, refuse, abandoned vehicle, nuisance, or building ordinances.

7	Unfounded
3	Active/open
35	Closed (35 complied - 4 cited, and 4 City abated and collecting costs)
45	Total

Middleton City News continued

Some information about me that was circulated by recall petitioners, no matter how convincing, just is not true. The prosecuting attorney determined that I have not done anything illegal or unethical. I am an honest but imperfect man. I made a few mistakes this year that I wish I had not: in February, I waived \$15.00 utility charges a day early; in November, I charged \$15.00 service restoration fee a day early and inadvertently (so I reversed those charges); in March, I did not post an agenda for the first two meetings of the Impact Fee Advisory Committee; and in October, I inadvertently added a .95 garbage fuel surcharge to utility bills (so I reversed those charges).

Thank you for supporting me as Mayor. As a candidate, I pledged to improve Middleton's reputation by:

- 1) Reducing Fees and Spending,
- 2) Eliminating Unnecessary Rules and Regulations,
- 3) Cooperating with the school district and other organizations, and
- 4) providing Friendly Customer Service.

I believe that City Council, Planning and Zoning Commission, staff, contractors and I have accomplished those goals.

Accomplishments Include:

- Turned off voice menu so City Hall phone is answered by a person; turned off the video camera tape recording every person walking into City Hall;
- Implemented a grace period before water shut-off day;
- Increased speed limits in town west and south;
- Surveyed residents to prioritize projects;
- Held monthly town hall meetings to share and receive information; monthly newsletter that accounts for City business; posting on the City website revenue/expenses posting to the website the construction progress reports progress reports;
- Established a roster of engineering firms so that a firm specializing in wastewater is working on the sewer projects, and so on with water, streets;
- Did not raise the City's real property tax levy rate;
- Adopted a balanced budget; budgeted to pay \$500,000 toward the City's 2002 sewer bond having a pre-payment balance of about 1 Million;
- Welcomed several new businesses to town including Terry Reilly Clinic, Kings, Family Dollar, Car Wash Clinic, Mikes Bargain Barn, Tacos El Sol, Under The Ink Influence, Simply Bliss, Design Secrets, AWS, Custom Creations Dental Lab, KIWI Designs;

- Welcomed Middleton Village remodel of its parking lot and the building with Garbonzo's Pizza and Jim's Pawn;
- Eagle Scout project to paint approximately 370 City fire hydrants;
- Established a Historical Society and obtained a \$47,000 grant;
- Established a Mayor's Youth Advisory Council;
- Shortened and simplified City Code by removing regulations that were outdated, had been replaced, were duplicate, or were re-statements of Idaho Code; consolidated City fees and amended them to be fair (some were increased and some decreased);
- Submitted Safe Routes to School application to extend sidewalks to schools.

Paving Projects:

As soon as asphalt plants open, the City intends to rebuild South Highlands Drive and pave Minot Road and Wills Road, where disturbed by installed waterline. Anticipated completion date is April/May 2013.

Pending Projects:

Wastewater treatment project construction is on schedule and as budgeted; conducting a utility rate study to ensure residents pay as little as possible; shrinking the area of City impact boundary; establishing and identifying 1-mile, 3-mile and 5-mile walks in town connecting parks and schools using existing facilities; adopting a 5-year parks plan to upgrade and expand City parks; incorporate aspects of Middleton history into City parks and walking paths; refurbish Trolley Station and the Civic Center; update City slogan; Eagle Scout project to erect a monument sign east of town welcoming people to the City of Middleton; updating the City's plans and public works standards to minimize costs of complying with federal permits; and alignment of Middleton Road and North Middleton Road.

A vocal few have said I have done things illegally or unethically. Those allegations are false, and the prosecuting attorney found my leadership to be legal and ethical. Many, many residents have called, emailed or told me, Council members, or staff how pleased they are with the accomplishments and the direction the City is heading.

Thank you all for your messages of continued support.

Mayor Taylor