

Annual Report

City of Driggs Vision

An appealing, vibrant, engaged City that attracts residents, visitors and businesses by the quality of life it offers.

Mission

To protect and enhance the City's livability and economic well being for current and future generations through:

- Visionary leadership and responsible decision making
- Accountable and sustainable fiscal practice
- Involvement of the Community
- Efficient, effective and responsive service to the public
- The development of a unique and beautiful City.

Mayor & City Council

Dan Powers, Mayor
 Colin Dye
 Greer Jones
 George Mosher
 Ralph Mossman



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Welcome to the 1st City of Driggs Annual Report

This is the City's first Annual Report and its goal is to give citizens and the general public in Teton Valley an overview of City operations in 2012. Last spring the City Council, Mayor, and staff met as the first step of the 2013 budgeting process and produced an outline of our vision, mission, and goals for the coming year (see left).

One of our goals is to do a better job of communicating with the public and creating a more engaged citizenry.

This report is one of the steps we're taking to meet that goal. We're also using Facebook and the City's website. Please let us know what works best to reach you.

Our primary focus is improving the City's economy. We see most everything we do in that vein. Driggs is an amenity based economy, which means that what we have that attracts businesses, visitors and residents are the amenities we can offer. So improving parks and streets are economic development efforts. Hosting events like Snowscapes, the SnowBall, and the Fall Food Festival may attract visitors, but they also improve the quality of life of those who live here, and help to convince new businesses that this is a great place to live

and do business. The economic picture summarized on page 2 shows that these efforts are starting to pay off, but we still have much to do. We need to continue to improve our parks and streetscapes, be active in attracting new businesses, and make sure that we have the infrastructure in place to serve both residents and businesses. Areas of focus for 2013 will be to improve fiber optic availability, as we see this as a key to business attraction, and basics such as pavement maintenance, which is a vital investment that saves money in the long term.

Let us know what else you would like us to prioritize in the coming year, and please be involved in your city.

-Dan Powers
 Mayor, City of Driggs

Driggs City Hall
 60 S Main Street | PO BOX 48
 Driggs, ID 83422
 208.354.2362

www.driggs.govoffice.com

 www.facebook.com/DriggsIdaho

Vibrant Community

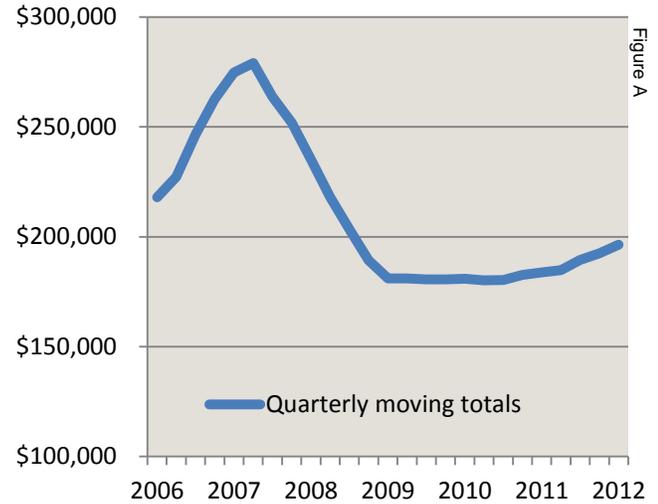
The City supports events that significantly improve both its economy and the quality of life of our residents. During FY 2012 the City partnered with community organizations to develop the first annual **Snowfest** (DDCA, Arts Council), **Teton Glow Balloon Rally** (Balloon Glow held on the City plaza), **Harvest Fest** (Slow Foods, Teton Arts Council) and the **Plein Air** painting competition (Teton Arts Council, DDCA). Additionally, the City continued to support **Shakespeare in the Park**, the **First Friday Art Walk**, and the **Wydaho Rendezvous Mountain Bike Festival**. The **Tour de Wyoming** brought 400 cyclists to town for several days and hosted a community picnic on the City plaza.

I. A (Finally) Growing Economy

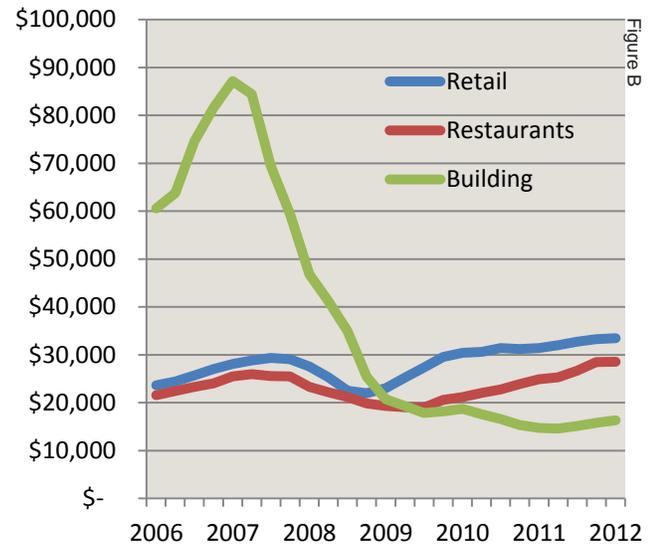
Fiscal Year 2012 saw the most encouraging economic activity since the post-boom era. Taxable sales in the City grew by 6.9% overall from the previous fiscal year, with the restaurant and retail sectors reaching levels above the pre-recession peaks of 2007-8. Figure A shows the overall changes in sales tax revenue, while Figure B illustrates the growth of the restaurant and retail sectors and the shrinkage of the building supply sector. A glimmer of good news in the building sector can be found in the four straight quarters of increased sales revenues.

Teton County employment grew by 4% on average for the FY 2012 (Figure C). The County unemployment rate fell to a post-boom low of 6.1% for August 2012, down from 7.4% the same month of 2011, and from a peak of 8.4% in 2010. Total employment in the County is back to about the peak of 2008.

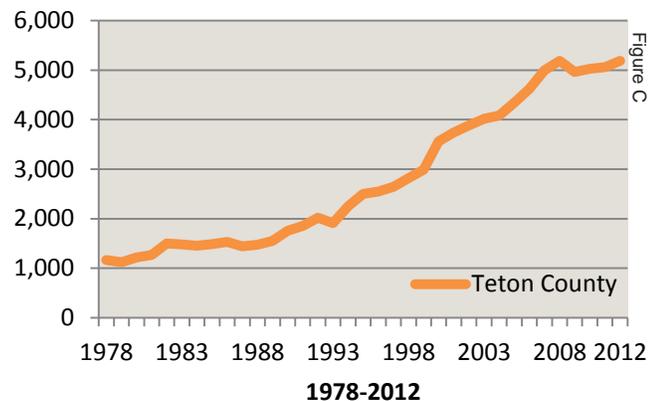
Sales Tax Revenue (Total)



Sales Tax Revenue (by Sector)



Annual Average Employment (Unadjusted)



II. A New Emphasis on Community and Economic Development

Planning & Zoning

Over the next year, the Planning & Zoning Administrator's work plan will be to review all functions and processes with the goal of improving efficiency, effectiveness, clarity and fairness. Such projects include:

- Improving public communication, including online access to applications, staff reports, as well as promotion of the City's [Facebook](#) page.
- Managing a Comprehensive Plan update, to be completed in 2014.
- Working with Victor and Teton County on a Form-Based Code project, to reduce or simplify restrictions on uses, while adding guidelines for the physical form of development.
- Managing code amendments to eliminate unnecessary barriers to desired development.

Community Development

Building and improving community facilities and services goes hand in hand with economic development by improving the quality of life that attracts new residents and businesses into the City. Project highlights include:

The **Driggs Recreation Center** was created in 2012, including Teton Indoor Sports Academy's gymnastics program and Teton Valley Recreation Association's Teton Rock Gym (2013), Yama Judo (now open), & future Teen Center (2014). The **Targhee Shuttle Service** was expanded (now 7 days/week and serving Victor) through Federal Transit Administration funding, with all matching funds paid by Grand Targhee Resort. A **sidewalk on 5th Street** from Little Ave to Ross Ave was constructed using a \$100,000 Safe Routes to Schools grant. A grant was obtained from ITD to build (in 2013) a **bus storage building** at the City's South 5th Street property, for all

Building Permit Type	2010	2011	2012*
Commercial - New	1	0	0
Commercial - Remodel/Addition	12	7	1
Residential - New	0	0	0
Residential - Remodel/Addition	3	2	10
Public - New	1	0	0
Public - Remodel/Addition	1	1	0

Building Permits have remained low, except residential remodels/additions have been on the rise.

to 10/31/2012

transit providers to use, which will save thousands of dollars in outside storage costs.

Another Safe Routes to Schools grant was obtained in 2012 to fund construction (in 2014) of the **Valley Centre Pathway**, connecting the 1000 N pathway to the Valley Centre subdivision and then to the Huntsman Springs pathway in 2015. This will allow students and others in the City's highest density housing to avoid walking on the dangerous highway shoulder.

The City successfully applied for and received a **Community Review** from the Idaho Rural Partnership which included highly qualified professionals from around the state in areas such as economic development, recreation, public infrastructure, civic life and community involvement. The City expects to receive IRP's final report in early 2013.

Economic Development

In 2012, the City ramped up efforts to strengthen the City's economic structure and activity by forming partnerships, developing and implementing priority economic strategies, and securing funding for community and economic development. Over the course of 2012, the City worked with the Teton County Economic Development Steering Committee to develop a county-wide strategic economic development plan.

Staff Organization

The City created a new department this year to encompass planning and zoning, economic development and the development of new community facilities. Doug Self, previously the Driggs Planning and Zoning Administrator, is the City's new Community Development Director.

The City hired a new Planning & Zoning Administrator, Ashley Koehler, who has six years of planning experience in Summit County, Utah and Jackson, Wyoming. The Deputy Planning and Zoning Administrator position, previously held by new City Clerk Kreslyn Schuehler, was dissolved.



An Emphasis on Road & Sidewalk Maintenance in 2013

In the coming year maintenance of existing roads will be the emphasis of the Road levy and Resort Tax funds. Public Works is currently inventorying road conditions and planning treatments for both older roads in the City core and newer subdivision roads. The hope is to catch up with the existing back log of pavement maintenance over the next two years.

The City expanded its sidewalk snow removal efforts last winter by plowing the new sidewalks in the downtown reconstruction area. The City continues to remove snow from the sidewalks on Little Avenue, Ross Avenue, and Main Street from Wallace to Ross. The new 5th Street sidewalk was added to the plowing circuit at the beginning of the 2012-13 winter season.

While the plan is still being finalized, many of the strategies, such as improving access to broadband internet, are already being implemented by the city and its partners.

The City's Industrial Building, a business incubator, came to life again in 2012, as the City rented to several businesses in another important industry category – outdoor recreation equipment and apparel. TwentyTwo Designs expanded its manufacturing of industry leading telemark bindings, while CAST initiated product development on a new backcountry ski binding, and Recaps, a hat making company, relocated from Silverton, Co.

A **Micro-loan program** (\$1,000 - \$50,000) was also established in partnership with The Development Company to further assist Driggs' businesses with startup, expansion, and other costs.

The City continued its partnership with the **Downtown Driggs Community Association** (DDCA) in 2012: publishing the [Dig Driggs Guide map](#), engaging downtown property owners in the Critical Mass Project for business infill, and supporting events.

Over \$900,000 in funding was secured in 2012 for the **Driggs City Center Plaza**, **Driggs Transit Center**, and a **Park & Ride** lot.

These projects combine on the city center property with the **Teton Scenic Byway Visitors' Center** project, which was successfully restarted and is on track for a 2014 opening.



III. Public Works

The Public Works Department is staffed with four employees that manage the water and wastewater service, roads, and parks. **Maintaining, improving, and ensuring the long term viability of infrastructure is vital to keeping our community competitive economically.** Highlights from 2012 include:

- Improvements to Lions Park included new sand for the baseball field and the City's first community garden
- Reconstruction of one block of Howard and Harper Avenues
- Construction of 1000 N from SR 33 to the Teton Middle School and its accompanying pathway, through an FAA grant
- Chip sealing Ross Avenue
- Breaking ground on the award –winning Teton Valley Regional Wastewater Treatment Plant
- Construction of the 5th Street sidewalk through a Safe Routes to Schools grant

Broadband Accessibility

Broadband accessibility and affordability was one of the City's key action items for attracting information, e-commerce, and telecommuting businesses. The City obtained a \$42,400 grant from the Idaho Department of Commerce to install high speed fiber optic internet lines



to over a dozen buildings in the City's central business district, including the offices of the Chamber of Commerce and Business Development Center, which partners with the City to offer business planning assistance and other support services.

The City began work on upgrades to its **cutting edge wastewater treatment facility** in the fall of 2012. The current facility was nearing capacity to treat additional waste, and the City was struggling to make a lagoon system work to meet discharge permit requirements in our cold climate. After several years of research and study, the City chose to upgrade via a Multi-Stage Activated Biological Process (MSABP) system utilizing modules from Aquarius Technologies. **Driggs will be the first city in Idaho to utilize this technology**, which leads to a total consumption of solids, virtually eliminating waste sludge and reducing associated operating costs. The MSABP system carries a price tag approximately 1/3 that of the other mechanical plant processes that were investigated.

IV. Airport

The City continues to move forward with improvements to the Driggs-Reed Memorial Airport, an important piece of its economic infrastructure. In 2010, the City utilized FAA funding to purchase land south of the airport and in 2012 relocated the 1000 N road. The goal of this project was to move the road out of the runway's 'object free area' and to facilitate future expansion of additional hangar and tie down areas.

The noise abatement committee met for the past year, and developed a Noise Abatement Plan, which is now being implemented. Noise abatement guidelines have been printed and are being distributed to pilots. During 2013 the airport will have increased signage in an effort to better educate pilots about airport noise abatement procedures.

The **Airport Master Plan** was completed in 2012 and is being reviewed by the FAA. The Plan forecasts future activity levels at the airport and provides a plan for meeting facility needs while meeting safety requirements and maintaining compatible land uses around the airport. Once approved

by the FAA, the City will hold a public hearing to adopt the plan as an addendum to the City's Comprehensive Plan. The Plan can be viewed on the City [website](#) or at City Hall.

V. Financials

For FY 2012 change is the one word to best describe the financial operations of the City. Long time finance officer Amy Smith resigned before the end of FY 2011 and Carol Lenz was hired to replace her in September 2011. An extended leave of absence for City Clerk, Sonnie Adams, who resigned in July 2012, added to the changing financial landscape.

For our customers, acceptance of credit cards and the ability to have utility accounts paid through ACH auto-withdrawals were the main financial changes.

The City continues to operate on solid financial ground, in its governmental funds and its two enterprise funds, water and wastewater, with a \$1M reserve split between the various funds. Reduced State funding and carry-over expenses from FY 2011 did impact individual funds for 2012. Even with the additional funding generated by the voter approved Teton County Road Levy, the City overspent its road fund due to carry over from 2011 for the paving of block one of Howard Avenue, a sidewalk project, and the SE parking lot renovation.

By far the largest expense budget in 2012 was in the wastewater fund, which, in addition to its daily operations, spent over \$4 Million to begin construction of the Teton Regional Wastewater Treatment Plant (WWTP). Careful stewardship by the City Council resulted in the City obtaining a zero percent, \$10 Million loan from the Department of Environmental Quality to finance construction with up to \$2M in loan forgiveness available.

For complete financial information, the City's 2012 audit will be placed on the [website](#) once it becomes available.

Road Improvements

In 2007 voters authorized the City to collect a 0.5% non-property sales tax, known as the City's resort tax. In FY 2012 the resort tax generated \$193,388 of revenue for the City. By the terms of the 2007 ballot initiative the revenue generated is to be used for road right of way improvements and other infrastructure improvements. In 2012, resort tax revenue was used to fund the following projects:

- 1st Block of Harper Ave Reconstruction (\$ 9,000)
- 2nd Block of Howard Ave reconstruction (\$76,044)
- Ross Ave Chip Seal (\$17,655)
- Dura-patching Roadways (\$5,852)
- 5th Street sidewalk and improvements (\$7,368)

Teton Valley Health Care partnered with the City on the Howard Avenue reconstruction, contributing \$30,000 toward the project. The City also received \$105,115 from the voter approved Teton County road levy, which was used to reconstruct the first block of Harper Avenue (\$88,512) and install railing for the bridge on Cemetery Road (\$21,150).

City of Driggs Financial History

Statement of Revenues, Expenditures, and Changes in Fund Balances	2012 *	2011	2010	2009	2008
General Fund					
Revenues	786,208	598,029	611,623	8,021,656	652,852
Expenditures	(488,521)	(371,252)	(492,887)	(7,831,612)	(529,725)
Transfers	(113,082)	(64,258)	(90,000)	(80,493)	(68,735)
Excess of revenues over (under) expenses	184,605	162,519	28,736	109,551	54,392
Fund Balance at beginning of year	1,068,064	905,545	876,809	767,258	712,866
Fund Balance at end of year	1,252,669	1,068,064	905,545	876,809	767,258
Road Fund					
Revenues	356,067	165,969	46,976	44,918	131,551
Expenditures	(617,601)	(220,311)	(115,906)	(136,258)	(210,959)
Transfers	113,082	64,258	90,000	127,652	287,735
Excess of revenues over (under) expenses	(148,452)	9,916	21,070	36,312	208,327
Fund Balance at beginning of year	(6,715)	(16,631)	(37,701)	(74,013)	(282,340)
Fund Balance at end of year	(155,167)	(6,715)	(16,631)	(37,701)	(74,013)
Airport Fund					
Revenues	913,624	248,611	1,966,356	5,628,959	208,497
Expenditures	(918,854)	(183,719)	(1,608,116)	(6,015,549)	(123,808)
Excess of revenues over (under) expenses	(5,230)	64,892	358,240	(386,590)	84,689
Fund Balance at beginning of year	176,138	111,246	(246,994)	139,596	54,907
Fund Balance at end of year	170,908	176,138	111,246	(246,994)	139,596
Resort Tax Fund					
Revenues	223,805	183,315	193,647	215,174	288,391
Expenditures	(165,857)	(287,058)	(170,507)	(54,529)	(20,575)
Transfers	-	-	-	(47,159)	387,104
Excess of revenues over (under) expenses	57,948	(103,743)	23,140	113,486	654,920
Fund Balance at beginning of year	191,969	295,712	272,572	159,086	(495,834)
Fund Balance at end of year	249,917	191,969	295,712	272,572	159,086
Other Governmental Funds					
Revenues	52,557	77,673	135,816	348,481	409,017
Expenditures	(36,794)	(126,846)	(61,970)	(332,755)	(137,955)
Transfers	-	-	(43,101)	320,000	(606,104)
Excess of revenues over (under) expenses	15,763	(49,173)	30,745	335,726	(335,042)
Fund Balance at beginning of year	164,275	213,448	182,703	(153,023)	182,019
Fund Balance at end of year	180,038	164,275	213,448	182,703	(153,023)
Total Governmental Funds					
Fund Balance at end of year	2,008,699	1,593,731	1,509,320	1,047,389	838,904

*2012 reports unaudited figures. The 2012 Fiscal Year audit will be placed on the City's website once it becomes available.