Moscow City Council

	Regular Meeting **~Agenda~**	Laurie M. Hopkins City Clerk
	www.ci.moscow.id.us	208.883.7015

Monday, July 6, 2020	**7:00 PM**	**Council Chambers** **206 E. Third St.**

The Moscow Mayor, City Council and Staff welcome you to tonight's meeting. This meeting is open to the public, but is subject to social distancing protocols as recommended in Governor Little's Stay Healthy Guidelines, so the number of attendees at any one time may be limited, and masks will be required of attendees. If you do not have a mask, a disposable mask will be provided. We appreciate and encourage public participation. For regular agenda items, an opportunity for public comment is sometimes provided after the staff report. However, the formality of procedures varies with the purpose and subject of the agenda item; therefore, the Mayor may exercise discretion in deciding when to allow public comment during the course of the proceedings and limitations may be placed on the time allowed for comments. Citizens wishing to comment on business that is not on the agenda will be provided the opportunity to do so during the public comment item on the agenda. If you plan to address the Council, you will find a list of "Tips for Addressing the Council" in the door pocket outside the City Council Chambers. The meeting will be broadcast. Citizens wishing to comment on business on the agenda are encouraged to communicate with the Mayor and City Council by phone or email (council@ci.moscow.id.us) in order to respect social distancing protocol. Please note that <u>Moscow City Council meetings are televised, videotaped and/or recorded</u>. Thank you for your interest in City government.

PLEDGE OF ALLEGIANCE

REGULAR AGENDA

1. **Approval of Moscow City Council June 15, 2020 Minutes (ACTION ITEM) - Laurie M. Hopkins**

   Minutes presented for approval.

   PROPOSED ACTIONS: Approve minutes, amend minutes, or take other such action deemed appropriate.

2. **Staff Recognition Report - Gary J. Riedner**

3. **Mayors Appointments (ACTION ITEM)**

4. **Public Comment and Mayor's Response Period (limit 15 minutes)**

5. **Resolution to Extend Amended Public Health Emergency Order 20-03 (ACTION ITEM) - Gary J. Riedner**

   Pursuant to Moscow City Code Title 1, Chapter 11, Section 5(B), Mayor Lambert issued Amended Public Health Emergency Order 20-03, requiring face coverings (masks) when in a public setting and the 6-foot physical distancing cannot be maintained and maintain a 6-foot social/physical distancing from non-household members when in public settings, within the City of Moscow. Pursuant to Idaho Code section 46-1011, and MCC 1-11-5(B), the Public Health Emergency Order is effective for seven (7) days, unless extended by resolution of the City Council. The attached Draft Resolution extends Emergency Order 20-03 until August 4, 2020.

PROPOSED ACTIONS: Adopt the Resolution extending Amended Public Health Emergency Order 20-03 until August 4, 2020, or take such other action deemed appropriate.

6. State/Local Agreement - Project Development - Public Ave. Corridor Safety Improvements (ACTION ITEM) - Alisa Anderson

City staff requested funding for the Public Avenue Corridor Safety Improvements project under Local Highway Safety Improvement Program (LHSIP) in January, 2019 and received notification of award in April, 2019. The project which qualified for funding is located on Public Avenue and will be designed to address the high rate of injury crashes and a fatality in this corridor. The 1,100-foot long project corridor on Public Avenue is located in northeastern Moscow between Polk Street and Lincoln Street. To address the corridor crashes a concrete splitter island will be installed at the intersection of Polk Avenue and Public Avenue and the road section will be upgraded to include full 12-foot vehicle lanes and 5-foot bicycle lanes. The project will also include the installation of approximately 2,200 linear feet of curb, gutter, and 5-foot sidewalk. The improvements will widen the roadway and eliminate roadside ditches creating a more navigable corridor for both vehicles and pedestrians. The Idaho Transportation Department (ITD) has requested the City execute a State/Local Agreement to complete the project development phase prior to construction.

PROPOSED ACTIONS: Approve the State/Local Agreement and the corresponding Resolution for Project Development for the Public Avenue Corridor Safety Improvements Project No. A022 (402), or take other such other action deemed appropriate.

7. 2020 Water and Sewer Rate Study Recommendations (ACTION ITEM) - Tyler Palmer

In May of 2019, the City of Moscow contracted with FCS Group to assist in a Water and Sewer Utility Rate Study. Rate studies are conducted periodically to assure that the costs of services are in alignment with the revenue to the utilities, and that said costs are allocated in as equitable a manner as possible among the users of the system.

The most recent rate study was completed, and adopted by City council, in 2013. Utilities are not paid with taxes, but with rate-based fees. Idaho Code requires that those rates are equivalent to the value of services provided, which include day-to-day operations, system maintenance and repair, and capital improvement costs. Rate studies serve several important purposes, and revisiting rates every 5-7 years assures that rates are fair and equitable.

With this rate study, Staff is proposing a restructuring of the commercial sewer rates. This restructuring will simplify the categories down to three commercial rate groupings: Low, Medium, and High. This shift will better align costs with contribution to the system, as it will allow for a shift to a rate more weighted to consumption.

FCS Group will present the final report for this study which includes the revenue requirements to fund the reinvestment of the ongoing utilities and infrastructure capital plans. The report identifies the rates for each of the classifications of water and sewer that are affected by the cost of service and their individual rates over the time frame.

The structure of this study has been presented to a Citizen Rate Committee (CRC). After analyzing the data, the CRC recommended adoption of the proposed structure. In addition, an online open house has been available on the City's website (https://www.ci.moscow.id.us/845/2020-Utility-Rate-Study-Online-Open-Hous) , and advertised to the public in the local newspaper, and on social media.

PROPOSED ACTIONS: Adopt the 2020 Water and Sewer Utility Rate Study recommendations, and direct staff to implement the recommendations in conjunction with the FY2021 budget, or take such other action deemed appropriate.

8. **Corona Virus Recovery Fund Public Safety Payroll Reimbursement / Property Tax Relief (ACTION ITEM) - Gary J. Riedner**

On June 11, 2020, Governor Brad Little announced that the Coronavirus Financial Advisory Committee (CFAC) had approved $200 million in federal Coronavirus Aid, Relief and Economic Security Act (CARES Act) funds to support public safety and pass property tax reductions to taxpayers. The program seeks to reimburse local government for the pay and benefits paid to public health and public safety employees from March 1, 2020 through December 30, 2020. The exact amount of reimbursement is determined by the amount reimbursable expenses are claimed, up to an allocation determined both by population and the number of applicants for the $200 million fund. This fund is in addition to the original CARES Act allocation to the City of Moscow in the amount of $887,100 for reimbursement of expenses incurred in responding to the COVID-19 pandemic.

In order to access the City's allocation of the $200 million, the City would provide an amount of property tax relief to taxpayers equal to the amount reimbursed under the program. The City must issue a "letter of intent" to the state by July 17 in order to be eligible for the program. The "letter of intent" will also indicate the amount of public health and/or public safety pay and benefits for which reimbursement will be sought.

Unfortunately, in spite of repeated attempts, staff has been unable to obtain written specifics of the program at this time, including what potential impacts might result in future budget years. Staff has been advised that information will be issued during the week of July 6, which will contain specifics of the program. Staff has been advised that the "letter of intent" is non-binding, and does not obligate the City to take advantage of the program, or to commit to any property tax relief. Staff is requesting authorization for the Mayor to issue the non-binding "letter of intent" in order for the State to calculate the amount of allocation available to the City. Such allocation amount is expected to be issued by the State on July 24. Staff will seek further direction from City Council regarding whether to proceed further with the program and whether to seek reimbursement.

PROPOSED ACTIONS: Authorize the Mayor to issue the non-binding "letter of intent" on or before July 17, 2020, and to seek further direction from City Council prior to further commitment to participate in the program, or take such further action deemed appropriate.

9. **City of Moscow Benefits Proposal for Plan Year August 1, 2020 through July 31, 2021 (ACTION ITEM) - Gary J. Riedner**

The process for reviewing, adjusting, and developing the City's Employee Benefits Program begins in the early spring. The plan year for the City's Benefits Program is August 1 through July 31. The annual renewal process requires a considerable amount of work to evaluate renewal options, including historical use of benefits properly, an increase in rates dictated by providers, and adjustments to benefits to meet employees' needs while continuing to fiscally responsible.

The City partners with The Murray Group, which manages and negotiates the City benefits contracts annually. For the next plan year, August 1, 2020, through July 31, 2021, an initial increase of 13.42% for medical coverage was anticipated. The Murray Group worked with Regence, the City's current medical provider to determine what plan adjustments should be considered to help reduce that significant increase in cost while providing attractive benefits for employees and their dependents. The resulting of those negotiations decreased the quote increase from 13.42% to 5.01%, which also included some plan changes, as described in the accompanying materials.

The total cost increase is a total of $157,114, including the 5.01% increase to medical and vision benefits at $92,114 and an increase for the proposed HRA program at $65,000. Compared to the initial increase quoted of 13.42% ($242,453), the program's suggested adjustments result in a cost savings of $85,339.

PROPOSED ACTIONS: Approve adjustment to benefits and related costs associated with those changes to the City of Moscow's Employee Benefit Program, or take other such action deemed appropriate.

REPORTS

City Council

Mayor

Staff

ADJOURN TO EXECUTIVE SESSION PER IDAHO CODE 74-206 (1)(C) AND (F) - THE MEETING WILL NOT RECONVENE.

NOTICE: Moscow City Council and committee meetings are televised, videotaped and/or recorded. Individuals attending the meeting who require special assistance to accommodate physical, hearing, or other impairments, please contact the City Clerk, at (208) 883-7015 or TDD 883-7019, as soon as possible so that arrangements may be made.

Moscow City Council

	Regular Meeting **~Minutes~**	Laurie M. Hopkins City Clerk
	www.ci.moscow.id.us	208.883.7015

Monday, June 15, 2020	**7:00 PM**	**Council Chambers** **206 E. Third St.**

The meeting was called to order at 7:00 p.m.
PRESENT: Mayor Bill Lambert, Art Bettge, Sandra Kelly, Maureen Laflin (via video, Brandy Sullivan, Gina Taruscio, Anne Zabala (via video)
STAFF: Gary J. Riedner, Mia Bautista (via video), Bill Belknap, Bob Buvel, Megan Cherry, Amanda Argona, Laurie M. Hopkins

PLEDGE OF ALLEGIANCE
Sullivan led the Pledge of Allegiance.

CONSENT AGENDA

1. All Consent Items (ACTION ITEM)

A. Approval of Moscow City Council June 1, 2020 Minutes - Laurie M. Hopkins

Minutes presented for approval.

ACTION: Approve minutes.

B. Approval of Moscow City Council May 18, 2020 Minutes - Laurie M. Hopkins

Minutes presented for approval.

ACTION: Approve minutes.

C. Disbursement Report May 2020 - Sarah Banks

Staff will present the Accounts Payable Report for the month ending May 2020.

ACTION: Sign the Disbursements Report for the month of May 2020.

Bettge moved, Taruscio seconded approval of the consent agenda as presented. Roll Call Vote: Ayes: Unanimous. Nays: None. Abstentions: None. Motion carried.

REGULAR AGENDA

2. Public Comment and Mayor's Response Period (limit 15 minutes)

Mayor Lambert spoke on the incident in Minneapolis and related to our community.

Victoria Seever, 121 Lilly St Moscow, feels Moscow has an excellent police force and has confidence in the department. She wanted to recognize they do a great job. The City is doing well with dealing with COVID and helping the businesses get back on track.

Riedner read an email from Dulce Kerstin-Lark commending the City staff and volunteers on their efforts to provide Farmers Market in-person shopping.

3. Public Hearing: Howard Street Right-of-Way Vacation (ACTION ITEM) - Bob Buvel

On December 9, 2019, the City received a letter requesting the vacation of a portion of the Howard Street right-of-way (ROW) located south of Homestead Street and north of East E Street. A copy of the letter is included in the packet. The request was made by Mr. Neil Brown, who is the owner of 704/706 East E Street, which abuts the subject property. A vicinity map of the proposed vacation area is shown on the Notice of Public Hearing attached herein. The notice of the hearing was advertised in the newspaper of record and mailed to properties within 300 feet of the subject ROW and all franchise and other utility providers were also provided notice. Due to the COVID-19 meeting restrictions, the hearing that was previously scheduled for the May 4 Council meeting was delayed until June 15 to allow public testimony and participation. All electronic comments received for the prior hearing date have been included within the packet.

PROPOSED ACTIONS: Hold a public hearing pursuant to the revised procedures adopted in light of the COVID-19 pandemic response, to accept public testimony on the matter of the Howard Street ROW Vacation request both in person during the public hearing and by way of receiving emails and letters in advance of the hearing, consider such testimony, and approve the vacation request by adoption of the Ordinance under suspension of the rules requiring three complete and separate readings and that the ordinance be read by title and published by summary; or consider the Ordinance on first reading; or deny the vacation request; or take such other action deemed appropriate.

Buvel introduced the item as written above and listed considerations for the area. See attached presentation. The required easement for aerial powerlines would have an aerial restriction but could have a driveway or landscaping in the easement. Access would be from Homestead. Transportation Commission reviewed this request. Moscow Pathways Commission has not. A pedestrian pathway would be possible but difficult. The developer would be responsible to install the street. If developed, providing sewer to the lots would be challenging as the closest gravity sewer is on Homestead.

Mayor Lambert opened the public hearing at 7:33 p.m.

Jason Brown, real estate broker, represents the applicant Neil Brown. No formal plans have been created to develop the lots. The current intent is to utilize the current lot. Due to the grade, it is not feasible to development.

In order to develop the lots, Howard Street would need to be developed. By vacating, it relieves the owner of that requirement.

Derek Forseth, 65 N Moore St Moscow, if vacated, the applicant understands the property would be split down the center line. He questions if a survey is required and who is responsible for payment and if a driveway was allowed, what would be the requirements for surfacing? Belknap said there is no set standard for surface but needs to meet minimum fire code standards.

Robert Johnson, 614 N Howard St Moscow, asked for consideration of the impact on Homestead Street and on the community. It has been a sledding hill for years.

Lyndon Frazier, 620 East E St Moscow, said he has maintained this area for years.

Forseth said the property is listed for sale but the potential to develop the lots would be difficult. By granting the vacation, it would make it more feasible. He read a letter from Neil Brown.

Mayor Lambert closed the public hearing at 7:51 p.m.

Discussion ensued regarding flag pole driveways and access to the lots, Should the vacation be approved, a lot division would have to be applied for if it was to be developed on.

Sullivan moved to deny the vacation and Taruscio seconded. Roll Call Vote: Ayes: Unanimous. Nays: None. Abstentions: None. Motion denied.

4. Farmers Market Report - Amanda Argona

Argona described the Moscow Motor-In Market, a pre-paid no-contact market and the logistics on how it is run. Guidelines to keep the market safe and open included procurement of hand sanitizer and disinfecting wipes, development of FAQ's, best practices signage, all at the direction from the North Central Idaho Public Health District. Engineering assisted with determining the number of patrons who could be in the market area per 12' x 12' area. A que similar to an airport security line was created on Sixth Street. This could be a concern when the weather gets hotter and the que is in complete sun. Vendors are required to wear face masks. Fifty patrons were allowed into the market area last weekend.

5. 2020 Artwalk Recommendation (ACTION ITEM) – Megan Cherry

Moscow Artwalk has a 16-year tradition in this community, and it is one of the favorite features of summer event programming. In late April, City staff chose to postpone Artwalk until September rather than canceling it altogether. This was based on a hope that virus conditions would shift in such a way that community celebrations like Artwalk would be possible. Since that time, virus infection rates and guidance from the Governor's office have pointed to the reality that continuing plans for Artwalk 2020 carries two risks: that public safety concerns may eventually force an event cancellation or that social distancing and other safety measures would require extensive and unappealing shifts to the event's identity. In light of the ongoing risks associated with COVID-19, the best approach would be to cancel the event for 2020. This recommendation is made with recognition for the special place this event holds in the community, and the Arts Department is dedicated to Artwalk's continuation into the future.

PROPOSED ACTIONS: Cancel Artwalk 2020 or take such other action deemed appropriate.

Cherry introduced the item as written above. Sullivan proposed a business, on their own, could feature an artist and the City can publish a brochure but not have an opening event.

Taruscio moved to cancel Artwalk 2020. Kelly seconded. Roll Call Vote: Ayes: Unanimous. Nays: None. Abstentions: None. Motion carried.

6. Haddock Building Purchase Agreement (ACTION ITEM) - Gary J. Riedner

On May 21, 2019, the City held a bond election to authorize the City to issue general obligation bonds to fund general governmental building improvements, including the construction of a new Police Services Facility, renovation of the existing Fourth Police Station on Fourth Street to office space, as well as minor repairs to the Mann Building adjacent to City Hall. Associated Architects was retained to prepare a preliminary building plan and cost estimate for the Fourth Street Building remodel. The building renovation costs were estimated to cost approximately $1.5 Million.

Recently, City Staff became aware that Gritman Medical Park, LLC was preparing to sell the Haddock Building located at 504 S. Washington Street. The Haddock Building was constructed in 1985 and includes 7,500 square feet of office space, 1,400 square feet of storage space within a partial basement, and 15 off-street parking spaces. Gritman has offered to sell the Haddock Building to the City for $875,000. The cost of acquisition and renovation of the Haddock Building is estimated at $1.3 Million as compared to $1.5 Million for the renovation of the Fourth Street Building. In addition, the City Council could direct that the Fourth Street Building be sold, which would further reduce the acquisition and renovation expense. The property acquisition and renovation will be funded with a combination of bond proceeds as well as general fund capital accumulation and has been accommodated in the draft FY2021 budget. Staff is seeking Council approval of the purchase and sale agreement for the Haddock Building in the amount of $875,000.

PROPOSED ACTIONS: Approve the Purchase and Sale Agreement to purchase the Haddock Building from Gritman Medical Park LLC in the amount of $875,000; or take other such action deemed appropriate.

Riedner introduced the item as written above. If approved, this building remodel could begin sooner, rather than staggering with the construction of the police facility. Additional savings could be early release from the American Insurance lease.

Bettge moved to approve the Purchase and Sale Agreement to purchase the Haddock Building from Gritman Medical Park LLC in the amount of $875,000. Kelly seconded.

Sullivan feels like this is a gift to have an opportunity for a building that is in better shape, a cost savings and will free up downtown parking. Zabala has concerns during this economic market.

Roll Call Vote: Ayes: Five (5). Nays: One (Zabala). Abstentions: None. Motion carried.

7. Whitcom Update - Gary J. Riedner

Riedner gave a history of Moscow dispatch service switching over to Whitcom. Currently, Whitcom has encountered some management issues and is running at a deficit. Captain Lanier was contracted to work for Whitcom temporarily and was tasked with determining a funding model. Increases are proposed for next year. For the three original entities, the increase will be over $100,000 and for Asotin County and Moscow, about $60,000. In-kind services provided by City of Pullman and WSU were valued at approximately 2.5%. Moscow and Asotin County are petitioning for another seat on the board. Also discussed was shifting to a five-year contract rather than 3 years. A financial representative from each entity could meet every year to ensure increases could keep the entity afloat. Moscow's contract ends December 1 and Asotin County is already expired. Staff is looking for direction. Dispatchers are not paid extremely well and there is a lot of stress, not to mention covering shifts and having a good work environment. Lanier is implementing a new sustainable pay schedule as an incentive.

8. City COVID-19 Response Update - Gary J. Riedner

Riedner said Moscow is on Stage 4 of the Governor's rebound plan. There are several counties having community spread. The City is close to be back to normal. A mask protocol has been implemented. Committee meetings will resume July 13. Commissions were going to start up in August but now can meet sooner if desired. Expansion of sidewalk cafes is going well so far. Allocation for tax relief information is being sent out to cities. Funding is determined by population and how many cities/counties are participating and includes how much spent on supplies and salaries. There are a lot of complications and insufficient information other than process on how to be reimbursed. There is no information on the affect of future taxes.

ADJOURN

The meeting adjourned at 9:28 p.m.

____
Bill Lambert, Mayor

ATTEST:

____
Laurie M. Hopkins, City Clerk

CITY COUNCIL STAFF REPORT

DATE: Monday, July 6, 2020

RESPONSIBLE STAFF	REVIEWED BY
Gary Riedner, City Supervisor	

ADDITIONAL PRESENTER(S)	OTHER RESOURCES

AGENDA ITEM TITLE

Resolution to Extend Amended Public Health Emergency Order 20-03 (ACTION ITEM) - Gary J. Riedner

DESCRIPTION

Pursuant to Moscow City Code Title 1, Chapter 11, Section 5(B), Mayor Lambert issued Amended Public Health Emergency Order 20-03, requiring face coverings (masks) when in a public setting and the 6-foot physical distancing cannot be maintained and maintain a 6-foot social/physical distancing from non-household members when in public settings, within the City of Moscow. Pursuant to Idaho Code section 46-1011, and MCC 1-11-5(B), the Public Health Emergency Order is effective for seven (7) days, unless extended by resolution of the City Council. The attached Draft Resolution extends Emergency Order 20-03 until August 4, 2020.

STAFF RECOMMENDATION

Adopt the Resolution extending Public health Emergency Order 20-03 until August 4, 2020.

PROPOSED ACTIONS

PROPOSED ACTIONS: Adopt the Resolution extending Amended Public Health Emergency Order 20-03 until August 4, 2020, or take such other action deemed appropriate.

FISCAL IMPACT

PERSONNEL IMPACT

ATTACHMENTS

1. Resolution Authorizing Continuation of Amended Public Health Emergency Order 20-03_FINAL DRAFT

RESOLUTION NO. 2020 –

A RESOLUTION OF THE CITY OF MOSCOW, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, AUTHORIZING THE ACCEPTANCE AND EXTENSION OF THE MAYOR'S AMENDED PUBLIC HEALTH EMERGENCY ORDER 20-03 MADE EFFECTIVE JULY 2, 2020; AND PROVIDING THIS RESOLUTION SHALL BE IN EFFECT UPON ITS PASSAGE AND APPROVAL.

WHEREAS, the health and safety of all citizens of the city of Moscow is the greatest priority and is of the upmost importance to the Mayor and City Council; and

WHEREAS, Idaho cities are authorized by Idaho Constitution Article XII, Section 2, to enforce, within the city limits all such local police, sanitary and other regulations as are not in conflict with the city's charter or with the general laws of the state; and

WHEREAS, Idaho Code § 50-302, enables cities to promote the general welfare of its citizens; and

WHEREAS, Idaho Code § 50-304, grants cities the authority to prevent the introduction of contagious diseases into the city and make quarantine laws for that purpose; and

WHEREAS, pursuant to Moscow City Code, Title 1, Chapter 11 and the authority pursuant to Idaho Code, in order to effectively preserve the health and safety of the public, the Mayor is granted the emergency powers to issue public health emergency orders; and

WHEREAS, the Centers for Disease Control and Prevention (hereinafter "CDC") identifies the potential public health threat posed by COVID-19 both globally and in the United States as "high", and has advised that person-to-person spread of COVID-19 will continue to occur globally, including within the United States; and

WHEREAS, Governor Little has stated on numerous occasions, due to Idaho's diverse and expansive state, that he is not mandating statewide face coverings or physical distancing for non-household members and is trusting and encouraging local officials to take any measures they deem necessary and appropriate to protect their community; and

WHEREAS, both the CDC, the federal government, and the Idaho Department of Health and Welfare and the Idaho North Central Health District have recommended practices to prevent the rapid spread of COVID-19, including maintaining six (6) feet of physical distancing from non-household members and the wearing of face coverings when in public settings and when the six feet of physical distancing from others cannot reliably be maintained. The policies, along with other information, are available on the CDC's official COVID-19 website. (https://www.cdc.gov/coronavirus/2019-ncov/index.html).; and

WHEREAS, the City, as a municipal corporation of the State of Idaho, has the authority to exercise all powers and perform all functions of local self-government in city affairs that are not in conflict with the general laws or the constitution of the state of Idaho (I.C. § 50-301); and

WHEREAS, the risk of community spread throughout the city of Moscow is a continued threat, especially due to our unique location in Idaho and our close proximity to states and locations where there is a large number of confirmed COVID-19 cases and evidence of community spread; and

WHEREAS, on June 30, 2020, Bill Lambert, Mayor of the City of Moscow, Idaho proclaimed and declared Public Health Emergency Order No. 20-03 and Amended said order on July 1, 2020; and

WHEREAS, on July 1, 2020, Idaho North Central District of Public Health issued a press release reporting widespread community transmission throughout the District, and highlighted the importance of practicing COVID-19 risk reduction strategies, which include practicing self-distancing (maintaining at least 6 feet between individuals) and wearing a face covering when in public settings where social distancing measures are difficult to maintain; and

WHEREAS, the positive confirmed cases of COVID-19 continues to climb in our city and the surrounding communities; and

WHEREAS, it is deemed necessary by the Council of the City of Moscow to extend such Amended Public Health Emergency Order No. 20-03 to provide for the ongoing threat to public life and property and the Council wishes to continue to be proactive and help reduce the spread of COVID-19 and to encourage our community members and community businesses to do their part to prevent and limit the spreading of COVID-19;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moscow as follows:

The Amended Public Health Emergency Order 20-03, ordering every person in the city of Moscow to wear a face covering when in public, with specific exceptions, and maintain 6-foot physical distancing when in locations open to the public, within the City of Moscow, Latah County, Idaho, signed into effect on July 1, 2020, by Mayor Bill Lambert, attached as Exhibit A, shall be continued and remain in effect until 11:59 p.m. on August 4, 2020.

That this Resolution shall become effective as of the ____ day of July, 2020.

PASSED BY THE CITY COUNCIL AND APPROVED by the Mayor of the City of Moscow, Idaho, this ____ day of July, 2020.

____
Bill Lambert, Mayor

ATTEST:

____
Laurie M. Hopkins, City Clerk

Exhibit A

NO. 606727
AT THE REQUEST OF
CITY OF MOSCOW
DATE & HOUR
7.1.2020 2:45 pm
HENRIANNE K. WESTBERG
LATAH COUNTY RECORDER
FEES $ 0 BY: S. Chapman deputy

THE CITY OF MOSCOW

AMENDED PUBLIC HEALTH EMERGENCY ORDER No. 20-03

FACE COVERINGS AND 6 FOOT SOCIAL/PHYSICAL DISTANCING

July 1, 2020

WHEREAS, the health and safety of all citizens of the city of Moscow is the greatest priority and is of the upmost importance of the Mayor and City Council; and

WHEREAS, the coronavirus (hereinafter, COVID-19), is a respiratory disease caused by the SARS-CoV-2 virus, which is a new strain of coronavirus that had not been previously identified in humans and can easily spread from person to person, which can result in serious illness or death thereby threatening widespread and/or severe damage to life or property thereby creating an "emergency" as defined by Idaho Code § 46-1002; and

WHEREAS, the Centers for Disease Control and Prevention (hereinafter "CDC") identifies the potential public health threat posed by COVID-19 both globally and in the United States as "high", and has advised that person-to-person spread of COVID-19 will continue to occur globally, including within the United States; and

WHEREAS, on January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization declared the outbreak a "public health emergency of international concern"; and

WHEREAS, on January 31, 2020, Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19; and

WHEREAS, on March 11, 2020, The World Health Organization (WHO) made the assessment that COVID-19 can be characterized as a pandemic; and

WHEREAS, on March 13, 2020, the Idaho Governor Brad Little, pursuant to Idaho Code § 46-1008, declared a state of emergency due to COVID-19, which is still in effect; and

WHEREAS, on March 13, 2020, the President of the United States issued an emergency declaration for the country in response to the increasing number of COVID-19 cases within the U.S., which is still in effect; and

WHEREAS, on March 13, 2020, Moscow Mayor Bill Lambert issued a Local Emergency Proclamation, declaring a local disaster emergency due to the occurrence and imminent threat to public health and safety arising from the effects of the 2019 novel coronavirus (COVID-19), pursuant to Idaho Code § 46-1011 and other relevant sections of Idaho Code; and

WHEREAS, on March 16, 2020, the Moscow City Council adopted Resolution 2020-05, authorizing continuation of Mayor Lambert's Local Emergency Proclamation until May 5, 2020; and

WHEREAS, on March 20, 2020, the Council for the city of Moscow adopted an ordinance enacting a new Chapter 11 to Title 1 of the Moscow City Code, setting forth the authority, purpose, and intent of emergency powers to address the threat of COVID-19; and

WHEREAS, on March 20, 2020, Mayor Lambert issued the first Public Health Emergency Order No. 20-01, instituting regulations regarding mass gatherings, restaurants and bars to help prevent the spread of COVID-19; and

WHEREAS, on March 20, 2020, the City Council extended such Public Health Emergency Order No. 20-01 to May 5, 2020, to provide for the ongoing threat to public life and property; and

WHEREAS, on March 24, 2020, Moscow Mayor Bill Lambert proclaimed and declared Public Health Emergency Order No. 20-02 prohibiting gatherings in groups of more than ten (10) persons within a facility, which also applied to educational institutions, expressive and associative activities, including assembly, and church and religious organization activities; and

WHEREAS, on March 25, 2020, Governor Brad Little issued a proclamation declaring that there existed an extreme emergency within the State of Idaho and through a press conference declared he was issuing a statewide stay-home order; and

WHEREAS, on March 25, 2020, pursuant to Idaho Code § 56-1003(7), Idaho Department of Health and Welfare Director, Dave Jeppesen, issued an Order to Self-Isolate for all individuals living in Idaho, at the direction of Governor Brad Little, to fight the community spread of COVID-19 that had been confirmed in Idaho. The Order was effective until April 15, 2020, subject to be extended, rescinded, superseded, or amended. The isolation order was issued based on advice and direction of state, federal and local public health experts; and

WHEREAS, on March 26, 2020, it was deemed necessary by the City Council to extend such Public Health Emergency Order No. 20-02 to May 5, 2020, to provide for the ongoing threat to public life and property, and the Council wished to continue to be proactive and help reduce the spread of COVID-19 and to encourage our community members and community businesses to do their part to prevent and limit the spreading of COVID-19; and

WHEREAS, on April 15, 2020, Idaho Department of Health and Welfare Director, Dave Jeppesen, amended the Order to Self-Isolate issued on March 25, 2020, providing additional guidance regarding travel into Idaho, regarding certain businesses, and extending the Self-Isolation Order until April 30, 2020; and

WHEREAS, on April 22, 2020, Governor Little issued a proclamation declaring an extreme emergency within the State of Idaho and declaring the state of emergency proclamation issued on March 13, 2020 and extended on March 25 ,2020, continues to be in effect and is extended for a period of thirty (30) days unless terminated, modified or extended; and

WHEREAS, on April 30, 2020, Governor Little and Director Jeppesen of the Idaho Department of Health and Welfare, issued the "Stay Healthy Order" effective as of 12:00 a.m. May 1, 2020, implementing Stage 1 of the Governor's Idaho Rebound plan, and which can be found on the website: rebound.idaho.gov. Governor Little's plan is one of utilizing a four-staged approach to reopening Idaho and its economy, whereby specific criteria must be met before Idaho advances to the next stage of reopening. The Idaho Division of Public Health and the Governor's Coronavirus Working Group will review the criteria every two weeks to assess if criteria are met, or continue to be met, so Idaho can move to the next stage; and

WHEREAS, the Council and Mayor have supported the Governor's guidelines and plans for systematically assessing existing conditions and slowly lifting the current regulations in place through the Stay Healthy Order and the now Stay Healthy Guidelines, and to utilize the proposed staged approach for reopening Idaho; and

WHEREAS, the Council and Mayor permitted the Mayor's Proclamation of Local Disaster Emergency as modified by Resolution 2020-05, and the Public Health Emergency Orders 20-01 and 20-02 to terminate on May 1, 2020, to avoid any confusion in light of the Stay Health Order in effect for all of Idaho at that time; and

WHEREAS, on June 24, 2020, Washington Secretary of Health, John Wiesman, issued Order 20-03, an order for all of Washington state which requires all individuals to wear a face covering that covers their nose and mouth when in any indoor and outdoor public space when the 6-foot physical distancing is not possible, with limited exceptions; and

WHEREAS, on June 26, 2020, the District Board of Central District Health, State of Idaho, issued an emergency quarantine order pursuant to Idaho Code § 56-1003(7), IDAPA 16.02.10.065.09, Idaho Code § 39-415 and § 67-5247, for Ada County bars and nightclubs open to the public for on-site consumption of beverages, be placed under quarantine and must remain closed to on-site consumption; prohibits large venue gatherings; requires six foot physical distancing from non-household members, and makes any violation of said order a misdemeanor pursuant to Idaho Code § 56-1003(7)(c); and

WHEREAS, on June 29, 2020, Whitman County, which is located at the western Moscow City limits, reported it has 38 confirmed cases of COVID-19; and

WHEREAS, on June 29, 2020, Spokane County, which is located less than 79 miles from Moscow, reported it has 1,344 confirmed cases of COVID-19; and

WHEREAS, on June 30, 2020, the state of Idaho reported 6,117 confirmed and probable cases of COVID-19, 261 of which are located in Kootenai County and where Kootenai County has been identified as a "hotspot" by the Idaho Department of Health and Welfare, which is located less than 80 miles to the north of Moscow; and

WHEREAS, on June 30, 2020, Latah County has 16 confirmed cases and 5 probable cases of COVID-19; and

WHEREAS, on June 30, 2020, The Idaho North Central District, which includes Clearwater County, Idaho County, Latah County, Lewis County and Nez Perce County is reporting a total of 121 confirmed and probable cases of COVID-191 and

WHEREAS, the Department of Health and Human Services Centers for Disease Control ("CDC") is reporting that as of June 30, 2020, the United States has 2,581,229 confirmed cases of COVID-19, and 126,739 total deaths; and

WHEREAS, Idaho is currently in Stage 4 of Governor Little's Idaho Rebound Plan, which no longer has any mandatory requirements as the previous Stay Healthy Orders; and

WHEREAS, Governor Little has stated on numerous occasions due to Idaho's diverse and expansive state, and that not all counties have confirmed cases of COVID-19, he is not mandating statewide face coverings or physical distancing for non-household members and is trusting and encouraging local officials to take any measures they deem necessary and appropriate to protect their community; and

WHEREAS, both the CDC, the federal government, and the Idaho Department of Health and Welfare and the Idaho North Central Health District have recommended practices to prevent the rapid spread of COVID-19, including maintaining six (6) feet of physical distancing from non-household members and the wearing of face coverings when in public settings and the six feet of physical distancing from others cannot reliably be maintained. The policies, along with other information, are available on the CDC's official COVID-19 website. (https://www.cdc.gov/coronavirus/2019-ncov/index.html).; and

WHEREAS, the spread of COVID-19 continues to threaten the life and health of the public and public health is imperiled by the person-to-person spread of COVID-19, and the reduction of opportunities for the person-to-person transmission of COVID-19 is necessary to combat the spread of the disease; and

WHEREAS, the City, as a municipal corporation of the State of Idaho, has the authority to exercise all powers and perform all functions of local self-government in city affairs that are not in conflict with the general laws or the constitution of the state of Idaho (I.C. § 50-301); and

WHEREAS, the City is empowered to make all such ordinances, bylaws, rules, regulations and resolutions not inconsistent with the laws of the state of Idaho as may be expedient, in addition to the special powers in this act granted, to maintain the peace, good government and welfare of the corporation and its trade, commerce and industry (I.C. § 50-302); and

WHEREAS, under Moscow City Code section 2-1-7 and Idaho Code § 50-304, the City may pass all ordinances and make all regulations necessary to preserve the public health; prevent the introduction of contagious diseases into the city; make quarantine laws for that purpose and enforce the same within five (5) miles of the city; and

WHEREAS, under Idaho Code § 50-606, the Mayor shall have such jurisdiction as may be vested in him/her by ordinance over all places within five (5) miles of the corporate limits of the city, for the enforcement of any health or quarantine ordinance and regulation thereof, and shall have jurisdiction in all matters vested in him/her by ordinance, except taxation, within one (1) mile of the corporate limits of said city and over such properties as may be owned by the city without corporate limits; and

WHEREAS, the city of Moscow has had 3 restaurants voluntarily close for self-quarantine due to a staff member having tested positive for COVID-19 and/or having been exposed to someone who tested positive for COVID-19; and

WHEREAS, the risk of community spread throughout the city of Moscow is a continued threat, especially due to our unique location in Idaho and our close proximity to states and locations where there is a large number of confirmed COVID-19 cases and evidence of community spread; and

WHEREAS, the rapid spread of COVID-19 to date requires a more aggressive proactive response in order to protect the public and resources to address the supply issues we as a city, state and nation currently face.

NOW, THEREFORE, I, Bill Lambert, Mayor of the City of Moscow, Idaho, by virtue of the authority vested in me by Moscow City Code Title 1-11-05(B), and the common law authority to protect the public in the event of an emergency, in order to encourage and enforce Social/Physical Distancing of non-household members and reduce the potential for spread of the COVID-19 virus, hereby order as follows:

1. Every person in the city of Moscow must wear a face covering that covers their nose and mouth when in any indoor or outdoor public setting where the 6-foot physical distancing is not able to be maintained with non-household members, except as follows:
   a. This Order does not apply to children under 5 years old, however, with the assistance and close supervision of an adult the City strongly recommends

children wear face coverings when in public spaces where the 6-foot physical distancing cannot be maintained;

b. This Order does not apply to persons with a medical condition, mental health condition, or disability that prevents wearing a face covering;
c. This Order does not apply to those who are incarcerated;
d. Individuals may remove their face covering when in a public setting under the following circumstances:
    i. While at a restaurant, at an establishment or location that allows or offers food or beverage service, while they are eating or drinking, provided that they are able to maintain a distance of at least 6-feet from other guests or other non-household members;
    ii. When any party to a communication is deaf or hard-of-hearing and not wearing a face covering is essential to communication;
    iii. While obtaining a health or personal service that requires temporary removal of the face covering;
    iv. When necessary to confirm a person's identity; and
    v. When local, state or federal law prohibits wearing a face covering or requires the removal of a face covering.

2. Every person in the city of Moscow, when in places that are open to the public, shall maintain 6-foot physical distancing from a non-household member, whenever possible.

3. Definitions.

    a. "Household Members" are defined as people who reside in the same residence regardless of familial relation and people who enter a residence to provide a caretaking function.
    b. "Public Setting" is defined as any place that is open to the public.

4. If this Order and any action of any other agency or official are in conflict, the more protective and most restrictive requirement must be followed, unless prohibited by a state or federal statute or rule.

5. **Exemptions.** Nothing in this order shall constrain the duties and powers of the City, the Mayor, or other governmental agencies.

6. **Penalty**. In accordance with Moscow City Code Section 1-11-10, any person who knowingly violates the provisions of this order may be charged with a misdemeanor. The maximum penalties for this offense are up to 6 months in the county jail and a $1,000 fine.

This Emergency Order shall take effect at 12:00 a.m. on July 2, 2020, and shall remain in full force and effect for seven (7) days, subject to be extended by City Council through Resolution unless it is terminated or modified at an earlier date.

606727

IN WITNESS WHEREOF, I have hereunto set my hand on this 1ST day of July, 2020.

Bill Lambert

Bill Lambert, Mayor

CITY OF MOSCOW INCORPORATED JULY 1 1887 STATE OF IDAHO

ATTEST:

Laurie M. Hopkins, City Clerk

AMENDED PUBLIC HEALTH EMERGENCY ORDER No. 20-03 - Page 7 of 7

CITY COUNCIL STAFF REPORT

DATE: Monday, July 6, 2020

RESPONSIBLE STAFF	REVIEWED BY
Alisa Anderson, Grants Manager, Nate Suhr, Senior Engineering Technician	

ADDITIONAL PRESENTER(S)	OTHER RESOURCES

AGENDA ITEM TITLE

State/Local Agreement - Project Development - Public Ave. Corridor Safety Improvements (ACTION ITEM) - Alisa Anderson

DESCRIPTION

The Highway Safety Improvement Program (HSIP) is a federally funded program aimed at reducing Fatal and Serious Injury crashes on the roadway systems. Local Highway Jurisdictions (LHJs) receive approximately $8.5 million of the state HSIP funds through the Local Highway Safety Improvement Program (LHSIP), a program administered through the Local Highway Technical Assistance Council (LHTAC). LHJs, such as the City of Moscow, with a Fatal and/or Serious (Type A) crashes are eligible for the program. This federally funded program requires a local match not to exceed 7.34%.

City staff requested funding for the Public Avenue Corridor Safety Improvements project under Local Highway Safety Improvement Program in January, 2019 and received notification of award in April, 2019. The project which qualified for funding is located on Public Avenue and will be designed to address the high rate of injury crashes and a fatality in this corridor. After reviewing the citywide crash data, staff identified a 1,100-foot long project corridor on Public Avenue, located in northeastern Moscow between Polk Street and Lincoln Street, as an excellent candidate for the LHSIP Program. To address the corridor crashes a concrete splitter island will be installed at the intersection of Polk Avenue and Public Avenue and the road section will be upgraded to include full 12-foot vehicle lanes and 5-foot bicycle lanes. The project will also include the installation of approximately 2,200 linear feet of curb, gutter, and 5-foot sidewalk. The improvements will widen the roadway and eliminate roadside ditches creating a more navigable corridor for both vehicles and pedestrians.

The improvements to this corridor will provide a safer pedestrian/bike environment and help keep drivers on the road through the installation of curbing and advance warning signs for the curves. The reduction of several roadside hazards to include ditch lines, trees, and utility poles will greatly decrease the risk of injury cases where an errant vehicle does leave the roadway. The installation of a permanent concrete splitter island will provide safer conditions at the currently skewed intersection at Polk Street and Public Avenue. Lastly, the installation of larger, retroreflective signs and thermoplastic crosswalk bars will increase stop compliance at this intersection. All of these roadway improvements will work together to improve the conditions creating a much safer corridor.

STAFF RECOMMENDATION

Approve the State/Local Agreement and the corresponding Resolution for Project Development for the Public Avenue Corridor Safety Improvements Project No. A022 (402).

PROPOSED ACTIONS

PROPOSED ACTIONS: Approve the State/Local Agreement and the corresponding Resolution for Project Development for the Public Avenue Corridor Safety Improvements Project No. A022 (402), or take other such other action deemed appropriate.

FISCAL IMPACT

Local cash match in the amount of 7.34% of the entire project estimated at $64,592.00. Funds have been programmed in the FY21 through FY23 Capital Improvement Plan.

PERSONNEL IMPACT

Community Planning and Design Group.

ATTACHMENTS

1. LHSIP Award Letter Public 2019
2. 22402 SLA PD updated 30 June
3. Resolution,ITD,City;Design,PublicAveCorrSafetyImprovements(2020)

Local Highway Technical Assistance Council
3330 Grace Street
Boise, Idaho 83703

Phone 208.344.0565
Fax 208.344.0789
Toll Free 1.800.259.6841

www.lhtac.org

lhtact2
Serving Idaho
Since 1994

April 17, 2019

Kevin Lilly
City of Moscow
221 E Second Street
Moscow, ID 83843

Re: Application Results - 2021 Local Highway Safety Improvement Program (LHSIP)

Dear Mr. Lilly:

It is my pleasure to inform you that your proposed safety improvement project is being submitted to the Idaho Transportation Department (ITD) for inclusion in the Idaho Transportation Investment Program (ITIP). This document, once the update is completed, will be open for public review and should then be approved by the Idaho Transportation Board in September 2019.

The project estimate in your application was adjusted to ensure adequate funds are scheduled for each phase of the LHSIP project (see attached). This project is scheduled to be funded using local highway safety dollars. The project title and revised project cost estimate are as follows:

- **ORN02001 Public Avenue; Polk Street to Orchard Avenue Improvements, Moscow - $ 880,000**

A permanent key number will be assigned to the project after approval from the Idaho Transportation Board. The project has Design scheduled in FY2021 and has Construction scheduled in FY2022. Please review the project information attached. If you do not agree with any of the information as presented, contact me so we can discuss.

LHSIP funds require adherence to ITD standards, design requirements, project development practices and compliance with federal environmental requirements. LHTAC is committed to helping the City of Moscow through the Federal-aid process and developing a successful project. We will be contacting you prior to the start of Project Development (Design) to discuss the process of selecting a design consultant.

Further details about the administration of this project will follow.

I look forward to working with you on your safety improvement project.

Best Regards,

Kevin Kuther

Kevin Kuther, P.E.
Safety Manager

Attachment: Revised project applications and ITD 1150 form

STATE/LOCAL AGREEMENT
(PROJECT DEVELOPMENT)

PROJECT NO. A022(402)
PUBLIC AVE CORRIDOR SAFETY IMPROVEMENTS
CITY OF MOSCOW
LATAH COUNTY
KEY NO. 22402

PARTIES

THIS AGREEMENT is made and entered into this _________ day of _________________, ______, by and between the IDAHO TRANSPORTATION BOARD, by and through the IDAHO TRANSPORTATION DEPARTMENT, hereafter called the State, and the CITY OF MOSCOW, acting by and through its Mayor and Council, hereafter called the Sponsor.

PURPOSE

The Sponsor has requested that the State include in its Idaho Transportation Investment Program the Local Highway Safety Improvement Program (LHSIP) Project with Key No. 22402, described as construction a concrete splitter island, upgrade the road section, install curb, gutter, sidewalk and widen the roadway to eliminate roadside ditches. Project development is to be performed by Consultant Engineers. The purpose of this Agreement is to set out the terms and conditions to accomplish the project development phase of this project.

NOTE: Securing the services of a consultant for project development services must follow the process outlined in the Idaho Transportation Department Guidelines for Local Public Agency Projects.

Since certain functions under this Agreement are to be performed by the State, requiring the expenditure of funds, and since the State can only pay for work associated with the State Highway System, the Sponsor is fully responsible for all costs incurred by the State related to the project.

Authority for this Agreement is established by Section 40-317 of the Idaho Code.

The Parties agree as follows:

SECTION I. GENERAL

1. It is necessary to develop construction plans and specifications in order that federal participation may be obtained in the construction costs of the project. Federal-aid for project development and right of way is available on this project.

2. Federal participation in the project is at the rate of 92.66%; local participation is 7.34%. Scheduled funding for this project is listed in the approved Idaho Transportation Investment Program, and subsequent revisions. Current ***estimated*** funding is as follows:

   a. Project Development - $122,000
      - (PE-$3,000, PL-$25,000, PC-$94,000)

   b. Right-of-Way - $0

   c. Utilities - $0

   d. Construction Engineering - $153,000
      - (CE-$4,000, CL-$28,000, CC-$91,000 & Cont.-$30,000)

   e. Construction - $605,000

   f. Total Estimated Project Costs - $880,000

3. The Sponsor's match for this project will be provided as follows:

   a. Cash in the amount of 7.34 percent of the entire project (current **estimate** $64,592);

4. Funds owed by the Sponsor shall be remitted to the State through the ITD payment portal at: *https://apps.itd.idaho.gov/PayITD* .

5. This project shall be designed to State Standards as defined in the current version of the Idaho Transportation Department's Design Manual, or as subsequently revised. The current version of the Design Manual can be viewed at the following web site: http://itd.idaho.gov/manuals/ManualsOnline.htm.

6. All information, regulatory and warning signs, pavement or other markings, and traffic signals required and warranted will be developed as a part of the plans, regardless of whether the work is done as a portion of the contract or by the Sponsor's forces.

7. If the project is terminated by the Sponsor prior to completion, the Sponsor shall repay to the State all federal funds received for the project, and shall be liable to the State for any un-reimbursed incidental expenses as provided for in Section II, Paragraph 1 of this Agreement.

8. Sufficient Appropriation. It is understood and agreed that the State and the Sponsor are governmental agencies, and this Agreement shall in no way be construed so as to bind or obligate the State or the Sponsor beyond the term of any particular appropriation of funds by the Federal Government or the State Legislature as may exist from time to time. The State and the Sponsor reserve the right to terminate this Agreement if, in its sole judgment, the Federal Government or the legislature of the State of Idaho fails, neglects or refuses to appropriate sufficient funds as may be required for the State to continue payments. Any such termination shall take effect immediately upon notice and be otherwise effective as provided in this Agreement.

SECTION II. That the State shall:

1. Provide the following services incidental to the project development:

   a. Assist Sponsor in the selection of a Consulting Engineer and negotiations as needed, and furnish the Agreement for Engineering Services and any supplements thereto, to be used between the Sponsor and Consultant Engineers on this project.

   b. Review Preliminary Environmental Evaluation and recommend other appropriate environmental documentation.

   c. Furnish to the engineers copies of materials test reports and other data applying to the project and available to the State.

   d. Provide a hearing officer to conduct a formal public hearing as necessary.

e. File with the Federal Highway Administration applications for exceptions to AASHTO Standards when appropriate.

f. If requested by the Sponsor, assist in negotiations with public carriers and utilities for agreements on behalf of the Sponsor.

g. Review the Consultant plans, estimates, reports and environmental studies, and issue notice of approval.

h. Supply roadway summary sheets and such standard drawings as may be required to supplement the plans.

i. Print and assemble plans, special provisions, specifications and contracts.

j. Advertise for bids and let the construction contract. Prior to construction, the parties will enter into a separate agreement covering responsibilities of the parties relating to construction.

2. Within sixty (60) days of receipt of appropriate documentation from the Sponsor showing expenditure of funds for project development, reimburse the Sponsor for eligible expenses at the approved Federal-aid rate.

3. Bill the Sponsor for costs incurred by the State under this Agreement for project development, if those costs exceed the amount set out in Section III, Paragraph 1.

4. Bill the Sponsor for any federal funds to be repaid by the Sponsor if the project is terminated by the Sponsor prior to completion, and the Sponsor has been reimbursed with federal funds for preliminary engineering and/or right-of-way acquisition.

5. Appoint the Local Highway Technical Assistance Council as the contract administrator for the State.

SECTION III. That the Sponsor shall:

1. Pay to the State, before the State begins the incidental services referred to in Section II, Paragraph 1, the sum of **THREE THOUSAND DOLLARS ($3,000),** estimated to be the total expense to the State. In addition, pay to the State the cost of all incidental services provided by the State upon receipt of the billing provided for in Section II, Paragraph 3.

2. Sponsor warrants that it will repay any federal reimbursements on this project if the project is terminated by the Sponsor prior to completion.

3. With the assistance of the State, hire a consultant for development of the project.

4. Make timely payment of all consultant invoices throughout the design of the project. Periodically the Sponsor may submit allowable Consultant invoices and receipts to the State showing payment of same. The State will reimburse the Sponsor for eligible expenses less the Sponsor's match.

5. Advertise for and hold a formal public hearing if required in accordance with the Idaho Open Meetings Law.

6. If requested by a utility company, hold hearings before the City Council or Board of Commissioners. The Sponsor will issue orders to the utilities.

7. Right of Way

   a. Acquire all rights-of-way and easements needed to provide for construction and maintenance of the project.

   b. Employ an approved certified general appraiser to complete all appraisals and an independent certified general appraiser to review appraisals required for the project unless the property value meets the requirements in Idaho Code Section 54-4105(5) and 49 CFR 24.102.

   c. Review the appraisal reviewer's statement of the estimated fair market value and approve an amount to be just compensation for each parcel to be acquired.

d. Provide a monthly right-of-way status report (ITD-2161), and forward it to the project manager.

e. Before initiating negotiations for any real property required for right-of-way, establish, in writing, an amount considered to be just compensation, under Idaho law, Federal Regulations or any other applicable law, and make a prompt offer to acquire the property for the full amount established.

f. Make a good faith effort, in accordance with Real Property Acquisition Policies Act of 1970, to acquire the real property by negotiation. Employ a State Approved Negotiator if necessary.

g. Inform the property owner, in those cases where he indicates a willingness to donate a portion of his real property for rights-of-way, of all his rights including his right to full compensation in money for land and damages, if any, in accordance with Idaho Code.

h. Provide relocation assistance and payments for any displaced person, business, farm operation, or nonprofit organization in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; 49 CFR 24; 23 CFR 710; the Idaho Real Property Acquisition Act of 1971; Title 40, Chapter 20; and Title 58, Chapter 11; Idaho Code, as amended, and regulations promulgated thereunder. No individual or family shall be displaced until decent, safe and sanitary replacement housing is available to the relocatees for immediate occupancy. In addition, advise the State of any relocations required by the project and upon request of the State, authorize the State to negotiate on the Sponsor’s behalf for all relocation assistance and payments, the cost of which will be assumed by the Sponsor at the time of negotiation.

i. Ensure to the greatest extent practicable that no person lawfully occupying the real property shall be required to move from his home, farm or business without at least ninety (90) days written notice prior to advertisement of the project.

8. Before advertisement for bids, provide a certification that all rights-of-way, easements, permits, materials sources and agreements necessary for the construction of the project have been acquired in accordance with the provisions of this Section. Provide a value of any right-of-way donations obtained, which may be credited as a matching share.

9. Evaluate the impact the project might have on the quality of the human environment and prepare and furnish to the State an environmental evaluation that includes cultural resources and any other documentation required by the National Environmental Policy Act.

10. At all required public hearings, furnish all necessary exhibits and provide for a representative of the Sponsor to describe the project; present information about the location and design, including alternates; discuss the tentative schedules for rights-of-way acquisitions and construction; discuss the Sponsor's relocation assistance program; discuss the economic, sociological, and environmental effects of the project; and answer all questions concerning the project.

11. Comply with Attachment 1 attached hereto and made a part hereof. By this agreement Sponsor agrees to comply with and be bound to the Civil Rights provisions of Title VI of the Federal Code and to generally insert those provisions in all contracts that it enters into that are federally funded on this project. If property acquired for this project with Federal financial assistance is transferred, the recipient of the property will be subject to Attachment 1 if the property is used for the same purpose it was originally acquired or for another purpose involving similar services or benefits to the general public. Sponsor should contact the State prior to disposing of any property acquired under this agreement.

12. Maintain all project records, including source documentation for all expenditures and in-kind contributions, for a period of three (3) years from the date of final acceptance. If any litigation, claim, negotiation, or audit has been started before expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues that arise from it.

13. Comply with all other applicable State and Federal regulations.

EXECUTION

This Agreement is executed for the State by its Highways Construction & Operations Division Administrator, and executed for the Sponsor by the Mayor, attested to by the City Clerk, with the imprinted Corporate Seal of the City of Moscow.

IDAHO TRANSPORTATION DEPARTMENT

____
Division Administrator
Highways Construction & Operations

ATTEST:

____
Clerk

(SEAL)

CITY OF MOSCOW

____
Mayor

By regular/special meeting
on ______________________.

cf: 22(402) SLAPD

<u>RESOLUTION</u>

WHEREAS, the Idaho Transportation Department, hereafter called the **STATE**, has submitted an Agreement stating obligations of the **STATE** and the **CITY OF MOSCOW**, hereafter called the **CITY,** for development of Public Ave Corridor Safety Improvements; and

WHEREAS, the **STATE** is responsible for obtaining compliance with laws, standards and procedural policies in the development, construction and maintenance of improvements made to the Federal-aid Highway System when there is federal participation in the costs; and

WHEREAS, certain functions to be performed by the **STATE** involve the expenditure of funds as set forth in the Agreement; and

WHEREAS, The **STATE** can only pay for work associated with the State Highway system; and

WHEREAS, the **CITY** is fully responsible for its share of project costs; and

NOW, THEREFORE, BE IT RESOLVED:

1. That the Agreement for Federal Aid Highway Project A022 (402) is hereby approved.

2. That the Mayor and the City Clerk are hereby authorized to execute the Agreement on behalf of the **CITY.**

3. That duly certified copies of the Resolution shall be furnished to the Idaho Transportation Department.

<u>CERTIFICATION</u>

I hereby certify that the above is a true copy of a Resolution passed at a *regular*, *duly* called special (X-out non-applicable term) meeting of the City Council, City of Moscow, held on ______________________, _______.

(Seal)

____
City Clerk

ATTACHMENT 1

1050.20 Appendix A:

During the performance of work covered by this Agreement, the Consultant for themselves, their assignees and successors in interest agree as follows:

1. **Compliance With Regulations**. The Consultant shall comply with all regulations of the United States Department of Transportation relative to Civil Rights, with specific reference to Title 49 CFR Part 21, Title VI of the Civil Rights Act of 1964 as amended, and Title 23 CFR Part 230 as stated in the ITD EEO Special Provisions and Title 49 CFR Part 26 as stated in the appropriate ITD DBE Special Provisions. http://apps.itd.idaho.gov/apps/ocr/index.aspx

2. **Nondiscrimination**. The Consultant, with regard to the work performed by them during the term of this Agreement, shall not in any way discriminate against any employee or applicant for employment; subcontractor or solicitations for subcontract including procurement of materials and equipment; or any other individual or firm providing or proposing services based on race, color, sex, national origin, age, disability, limited English proficiency or economic status.

3. **Solicitations for Subcontracts, Including Procurement of Materials and Equipment.** In all solicitations, either by bidding or negotiation, made by the Consultant for work or services performed under subcontract, including procurement of materials and equipment, each potential subcontractor or supplier shall be made aware by the Consultant of the obligations of this Agreement and to the Civil Rights requirements based on race, color, sex, national origin, age, disability, limited English proficiency or economic status.

4. **Information and Reports.** The Consultant shall provide all information and reports required by regulations and/or directives and sources of information, and their facilities as may be determined by the State or the appropriate Federal Agency. The Consultant will be required to retain all records for a period of three (3) years after the final payment is made under the Agreement.

5. **Sanctions for Noncompliance.** In the event the Consultant or a Subconsultant is in noncompliance with the EEO Special Provisions, the State shall impose such sanctions as it or the appropriate Federal Agency may determine to be appropriate, including, but not limited to:

- Withholding of payments to the Consultant until they have achieved compliance;
- Suspension of the agreement, in whole or in part, until the Consultant or Subconsultant is found to be in compliance, with no progress payment being made during this time and no time extension made;
- Cancellation, termination or suspension of the Agreement, in whole or in part;
- Assess against the Consultant's final payment on this Agreement or any progress payments on current or future Idaho Federal-aid Projects an administrative remedy by reducing the final payment or future progress payments in an amount equal to 10% of this agreement or $7,700, whichever is less.

6. **Incorporation of Provisions.** The Consultant will include the provisions of paragraphs 1 through 5 above in every subcontract of $10,000 or more, to include procurement of materials and leases of equipment unless exempt by the Acts, the Regulations, and directives pursuant thereto. The Consultant shall take such action with respect to any subcontract or procurement as the State or the appropriate Federal Agency may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, that if the Consultant becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Consultant may request the State to enter into any litigation to protect the interest of the State. In addition, the Consultant may request the United States to enter into the litigation to protect the interests of the United States.

1050.20 Appendix E

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

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 et seq.), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 4 71, Section 4 7123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U .S.C. 1681 et seq).

Implementation Procedures
This agreement shall serve as the Sponsor's Title VI plan pursuant to 23 CFR 200 and 49 CFR 21.

For the purpose of this agreement, "Federal Assistance" shall include:

1. grants and loans of Federal funds,
2. the grant or donation of Federal property and interest in property,
3. the detail of Federal personnel,
4. the sale and lease of, and the permission to use (on other than a casual or transient basis), Federal property or any interest in such property without consideration or at a nominal consideration, or at a consideration which is reduced for the purpose of assisting the Sponsor, or in recognition of the public interest to be served by such sale or lease to the Sponsor, and
5. any Federal agreement, arrangement, or other contract which has as one of its purposes, the provision of assistance.

The Sponsor shall:

1. Issue a policy statement, signed by the Sponsor's authorized representative, which expresses its commitment to the nondiscrimination provisions of Title VI. The policy statement shall be circulated throughout the Sponsor's organization and to the general public. Such information shall be published where appropriate in languages other than English.

2. Take affirmative action to correct any deficiencies found by ITD or the United States Department of Transportation (USDOT) within a reasonable time period, not to exceed 90 days, in order to implement Title VI

compliance in accordance with this agreement. The Sponsor's authorized representative shall be held responsible for implementing Title VI requirements.

3. Designate a Title VI Coordinator who has a responsible position in the organization and easy access to the Sponsor's authorized representative. The Title VI Coordinator shall be responsible for initiating and monitoring Title VI activities and preparing required reports.

4. Adequately implement the civil rights requirements.

5. Process complaints of discrimination consistent with the provisions contained in this agreement. Investigations shall be conducted by civil rights personnel trained in discrimination complaint investigation. Identify each complainant by race, color, national origin, sex, or disability; the nature of the complaint; the date the complaint was filed; the date the investigation was completed; the disposition; the date of the disposition; and other pertinent information. A copy of the complaint, together with a copy of the Sponsor's report of investigation, will be forwarded to ITD's EEO Office – External Programs within 10 days of the date the complaint was received by the Sponsor.

6. Collect statistical data (race and sex) of participants in, and beneficiaries of the Transportation programs and activities conducted by the Sponsor.

7. Conduct Title VI reviews of the Sponsor and sub-recipient contractor/consultant program areas and activities. Revise where applicable, policies, procedures and directives to include Title VI requirements.

8. Attend training programs on Title VI and related statutes conducted by ITD's EEO Office.

9. Participate in an annual review of the Sponsor's Title VI Program, the purpose of which is to determine to what extent the Sponsor has complied with Title VI requirements including the ADA. This review is conducted one year from the date of approval of the Non-Discrimination Agreement and then annually on the same date. The format for the Title VI review will be provided each year to the Sponsor for completion. A determination of compliance will be made by ITD's EEO Office based on the information supplied in the review. This review of the Sponsor's Title VI Program may also include an on-site review in order to determine compliance.

Discrimination Complaint Procedure

Any person who believes that he or she, individually, as a member of any specific class, or in connection with any disadvantaged business enterprise, has been subjected to discrimination prohibited by Title VI of the Civil Rights Act of 1964, the American with Disabilities Act of 1990, Section 504 of the Vocational Rehabilitation Act of 1973 and the Civil Rights Restoration Act of 1987, as amended, may file a complaint with the Sponsor. A complaint may also be filed by a representative on behalf of such a person. All complaints will be referred to the Sponsor's Title VI Coordinator for review and action.

In order to have the complaint consideration under this procedure, the complainant must file the complaint no later than 180 days after:

a) The date of alleged act of discrimination; or
b) Where there has been a continuing course of conduct, the date on which that conduct was discontinued.

In either case, the Sponsor or his/her designee may extend the time for filing or waive the time limit in the interest of justice, specifying in writing the reason for so doing.

Complaints shall be in writing and shall be signed by the complainant and/or the complainant's representative. Complaints shall set forth as fully as possible the facts and circumstances surrounding the claimed discrimination. In the event that a person makes a verbal complaint of discrimination to an officer or employee of the Sponsor, the person shall be interviewed by the Title VI Coordinator. If necessary, the Title VI Coordinator will assist the person in reducing the complaint to writing and submit the written version of the complaint to the person for signature. The complaint shall then be handled according to the Sponsor's investigative procedures.

Within 10 days, the Title VI Coordinator will acknowledge receipt of the allegation, inform the complainant of action taken or proposed action to process the allegation, and advise the complainant of other avenues of redress available, such as ITD and USDOT.

The Sponsor will advise ITD within 10 days of receipt of the allegations. Generally, the following information will be included in every notification to ITD:

a) Name, address, and phone number of the complainant.
b) Name(s) and address(es) of alleged discriminating official(s).
c) Basis of complaint (i.e., race, color, national origin or sex)
d) Date of alleged discriminatory act(s).
e) Date of complaint received by the Sponsor.
f) A statement of the complaint.
g) Other agencies (state, local or Federal) where the complaint has been filed.
h) An explanation of the actions the Sponsor has taken or proposed to resolve the issue raised in the complaint.

Within 60 days, the Title VI Coordinator will conduct an investigation of the allegation and based on the information obtained, will render a recommendation for action in a report of findings to the Sponsor's authorized representative. The complaint should be resolved by informal means whenever possible. Such informal attempts and their results will be summarized in the report of findings.

Within 90 days of receipt of the complaint, the Sponsor's authorized representative will notify the complainant in writing of the final decision reached, including the proposed disposition of the matter. The notification will advise the complainant of his/her appeal rights with ITD, or USDOT, if they are dissatisfied with the final decision rendered by the Sponsor. The Title VI Coordinator will also provide ITD with a copy of this decision and summary of findings upon completion of the investigation.

Contacts for the different Title VI administrative jurisdictions are as follows:

Idaho Transportation Department
Equal Employment Opportunity Office – External Programs
EEO Manager
PO Box 7129
Boise, ID 83707-1129
208-334-8884

Federal Highway Administration
Idaho Division Office
3050 Lakeharbor Lane, Suite 126
Boise, ID 83703
208-334-9180

Sanctions
In the event the Sponsor fails or refuses to comply with the terms of this agreement, the ITD may take any or all of the following actions:

1. Cancel, terminate, or suspend this agreement in whole or in part;
2. Refrain from extending any further assistance to the Sponsor under the program from which the failure or refusal occurred until satisfactory assurance of future compliance has been received from the Sponsor.
3. Take such other action that may be deemed appropriate under the circumstances, until compliance or remedial action has been accomplished by the Sponsor;
4. Refer the case to the Department of Justice for appropriate legal proceedings.

Distribution: EEO Office
Revised: 03-09, 08-10, 08-17

RESOLUTION NO. 2020 -

A RESOLUTION OF THE CITY OF MOSCOW, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, TO ENTER INTO AN AGREEMENT FOR PROJECT DEVELOPMENT OF THE PUBLIC AVENUE CORRIDOR SAFETY IMPROVMENTS; PROVIDING THAT THIS RESOLUTION SHALL BE IN EFFECT UPON ITS PASSAGE, AND APPROVAL.

WHEREAS, the Idaho Transportation Department (hereinafter "ITD") has submitted State/Local Agreement (Project Development) Project No. A022(402), Public Avenue Corridor Safety Improvements, Latah County, Key No. 22402 (hereinafter "Agreement") stating obligations of ITD and the City of Moscow (hereinafter "City") for the development of information, and described as a construction of a concrete splitter island, upgrade the road section, install curb, gutter, sidewalk and widen the roadway to eliminate roadside ditches; and

WHEREAS, Project Development is to be performed by Consultant Engineers. The purpose of the Agreement is to set out the terms and conditions to accomplish the project development phase; by securing services of a consultant for project development services which must follow the process outlined in the ITD Guidelines for Public Agency Projects; and

WHEREAS, ITD is responsible for obtaining compliance with laws, standards and procedural policies in the development, construction and maintenance of improvements made to the Federal-aid Highway System when there is federal participation in the costs; and

WHEREAS, certain functions to be performed by ITD involve the expenditure of funds as set forth in the Agreement; and

WHEREAS, ITD can only pay for work associated with the State Highway system; and

WHEREAS, City is fully responsible for its share of Project costs;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Moscow as follows:

That the Agreement for Federal Aid Highway Project A022 (402), to develop the Public Avenue Corridor Safety Improvements is hereby approved;

That the Mayor and City Clerk are hereby authorized to execute the Agreement on behalf of City; and

That duly certified copies of the Resolution shall be furnished to the Idaho Transportation Department.

That this Resolution shall become effective as of the ___ day of July, 2020.

PASSED AND APPROVED by the Mayor of the City of Moscow, Idaho, this ___ day of July, 2020.

____

Bill Lambert, Mayor

ATTEST:

____

Laurie M. Hopkins, City Clerk

CITY COUNCIL STAFF REPORT

DATE: Monday, July 6, 2020

RESPONSIBLE STAFF	REVIEWED BY
Tyler Palmer, Deputy Director - Operations	

ADDITIONAL PRESENTER(S)	OTHER RESOURCES
FCS Group	

AGENDA ITEM TITLE

2020 Water and Sewer Rate Study Recommendations (ACTION ITEM) - Tyler Palmer

DESCRIPTION

In May of 2019, the City of Moscow contracted with FCS Group to assist in a Water and Sewer Utility Rate Study. Rate studies are conducted periodically to assure that the costs of services are in alignment with the revenue to the utilities, and that said costs are allocated in as equitable a manner as possible among the users of the system.

The most recent rate study was completed, and adopted by City council, in 2013. Utilities are not paid with taxes, but with rate-based fees. Idaho Code requires that those rates are equivalent to the value of services provided, which include day-to-day operations, system maintenance and repair, and capital improvement costs. Rate studies serve several important purposes, and revisiting rates every 5-7 years assures that rates are fair and equitable.

With this rate study, Staff is proposing a restructuring of the non-residential sewer rates. This restructuring will simplify the categories down to three non-residential rate groupings: Low, Medium, and High. This shift will better align costs with contribution to the system, as it will allow for a shift to a rate more weighted to consumption.

FCS Group will present the final report for this study which includes the revenue requirements to fund the reinvestment of the ongoing utilities and infrastructure capital plans. The report identifies the rates for each of the classifications of water and sewer that are affected by the cost of service and their individual rates over the time frame.

The structure of this study has been presented to a Citizen Rate Committee (CRC). After analyzing the data, the CRC recommended adoption of the proposed structure. In addition, an online open house has been available on the City's website (https://www.ci.moscow.id.us/845/2020-Utility-Rate-Study-Online-Open-Hous) , and advertised to the public in the local newspaper, and on social media.

STAFF RECOMMENDATION

Adopt the 2020 Water and Sewer Utility Rate Study recommendations, and direct staff to implement the recommendations in conjunction with the FY2021 budget.

PROPOSED ACTIONS

PROPOSED ACTIONS: Adopt the 2020 Water and Sewer Utility Rate Study recommendations, and direct staff to implement the recommendations in conjunction with the FY2021 budget, or take such other action deemed appropriate.

FISCAL IMPACT

PERSONNEL IMPACT

ATTACHMENTS

1. 2020 Utility Rate Study CRC Executive Summary Final

2020 Water and Sewer Utility Rate Study
Citizen Rate Committee Report

In support of the 2020 Water and Sewer Rate Study; a report on the process and outcomes of the Citizen Rate Committee review of the proposed rate and structure adjustments.

Developed by: Tyler Palmer, Deputy City Supervisor-Public Works and Services
June 15, 2020

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Executive Summary

In May of 2019, the City of Moscow contracted with FCS Group to assist in a Water and Sewer Utility rate study. Rate studies are conducted periodically to assure that the costs of services are in alignment with the revenue to the utilities, and that said costs are allocated in as equitable a manner as possible among the users of the system. A critical component to the rate study process is a Citizen Rate Committee review.

The City of Moscow (City) formally convened the Citizen Rate Committee (CRC or the Committee) on May 12, 2020. The mission of the CRC is to assemble diverse perspectives that represent our community to evaluate and advise on the City's water and sewer rate structures. The CRC has three overarching purposes:

1. To represent and communicate the views of the community;

2. To provide input on rate structure options and associated customer impacts; and

3. To formulate a recommendation for Moscow City Council.

The CRC represents the constituency of the City's customers and stakeholders including residents, the business community, environmental interests, the University of Idaho, and Moscow City Council. All Committee members are either ratepayers in Moscow, or represent an entity that is a ratepayer in Moscow. The meetings minutes, along with provided materials will be accessible to the public on the City's website. Members of the CRC include:

Jon Kimberling Palouse Basin Water Summit Moscow Resident/Business Owner	Brian Johnson University of Idaho Moscow Resident
Kristie Mattoon Local Realtor Moscow Resident	Mike O'Brien Hospitality President, Moscow Chamber of Commerce
Kevin Clary Large Restaurant Moscow Resident	Dan Schoenberg Property Management Latah County Resident
Peter Mundt Medical/Hospital Moscow Resident	Patty Broehm Small Restaurant Moscow Resident
Erich Hanisch Grocery Moscow Resident	Art Bettge Moscow City Council Moscow Resident

The Committee was supported by City staff from Administration, Water, Sewer, Environmental Services, and Finance along with representatives from FCS Group.

CRC Activities

The COVID-19 pandemic presented unique challenges to the traditional rate committee review process. Staff was forced to come up with alternative methods to assure CRC members had the necessary information to make informed recommendations.

City staff produced a comprehensive introductory video, providing orienting information that would generally have been the content of a first in-person meeting. This activity was followed by a video-meeting where the specifics of capital needs, operation and maintenance expenses, revenue, and rate structure were discussed in greater detail. Committee members then submitted questions via email. A question and answer sheet (included) was generated and distributed to members in advance of the second meeting.

The second meeting of the CRC was held in a large room where social distancing could be accommodated. The room was equipped to accommodate online participants along with those able to participate in-person.

All Committee members but one were able to make both sessions. Staff offered make-up sessions to accommodate the Committee member who was unable to attend the scheduled meetings to ensure informed recommendations.

The following table lists the activities of the CRC:

CRC Activities		
Meeting	**Date**	**Agenda**
1	May 12, 2020	Welcome and introductory message, link to video provided. General instructions and goals presented.
2	May 22, 2020	Distribution of the in-depth rate presentation with a request to review and submit questions in advance of the first CRC meeting.
3	May 27, 2020	First CRC meeting (video-conference). Fielding of general questions. FCS presentation on capital, operations and maintenance, revenue, and rate structure. Discussion of proposal.
4	May 27-June 1, 2020	Submittal of questions by the CRC. Staff generation of a comprehensive question and answer sheet.
5	June 2, 2020	Question and answer sheet distributed to CRC.
6	June 3, 2020	Second CRC meeting (in-person and video-conference). Review of question and answer sheet. General group discussion. Individual comments, concerns, and recommendations. Group consensus poll.

CRC Recommendation

The CRC was unanimously in support of the structure and rates as proposed after a review of the utilities' capital, operations, rate structure, and projected needs.

A significant amount of time was spent reviewing the impacts of the proposed changes to the sewer rate structure. A number of recommendations were generated by the Committee about how to best implement the structural changes, and communicate them effectively to stakeholders. A summary of these recommendations can be found in the CRC meeting minutes included in this document.

Video Presentation

https://youtu.be/b8ohQJMAoN8

CRC First Meeting

https://us02web.zoom.us/rec/share/_tRwPqy360dOeIXgxEqHXu0kPov3X6a81XQaqfdcyE96kb02nX6jFnlzuiDZHdUL

Question and Answer Form

CITIZEN RATE COMMITTEE QUESTIONS

1. **Question:** *What is the estimated/possible impact for a specific customer.*
    a. **Answer:**
    Staff will gladly discuss the specifics of the rate study as it applies to any individual customer concerning projected financial effects upon request. A benefit of the proposed update to the sewer rate structure is that it will necessitate and incentivize a review of activities to determine appropriate categorization, so that billing will more accurately reflect contribution. City staff will work with all interested customers to identify uses, and opportunities to conserve.

2. **Question**: *Is the Phase 5 for the Water Reuse & Reclamation Facility (WRRF) the phase that deals with effluent temperature reduction? If so, does the rate study include the additional cost of electricity to run the chillers as part of the rate input costs?*
    a. **Answer**:
        i. The City of Moscow is starting a facility plan study update that will evaluate different alternatives to address temperature reduction. It is anticipated that a design will be accepted upon completion of that study. As noted in the presentation, the City plans to begin construction of Phase 5 improvements in FY2024. It is expected that the next rate study will consider O&M cost associated with the upgrades to the WRRF.
        ii. Operating Cost impacts related to any capital improvement plan (CIP) items are not incorporated in the current rate study.
3. **Question**: *How do car washes fit into the scheme?*
    a. **Answer**:
        i. The California guidelines used to inform classification throughout this study identify car washes are low in BOD/TSS strength.

4. **Question**: *Churches get a blanket rate for both water and sewer. However, churches are frequently used during the "non-church hours" as daycare or other uses. Should there be some consideration of the more commercial aspects of "churches" that extend beyond their primary use?*
    a. **<u>Answer</u>:**
        i. The City will be conducting an Industrial Users Survey this summer, which will help identify user contributions from each commercial customer. This will help us to classify these customers by strength of the account, not only as a type of business. Under the strength-based rate structure, an account pays based on its concentration of flow, not type of business.
5. **<u>Question</u>**: *Do the water rate computations include the capital costs of maintenance and/or replacement of the reservoirs/water towers? I know we have been looking at the NW water tower up on Residence St. for a while. As I recall, there was discussion of the fact that the booster stations may obviate the need for that reservoir. If water reservoirs are to be continued, we need some capital accumulation to deal with that - and any additional reservoirs that may be necessary in the future due to city expansion.*
    a. **<u>Answer</u>:**
        i. Although Capital Improvement Plans do not specifically include reservoir rehab or replacement in the next five years covered by this study, rates currently are assumed to fund system reinvestment/depreciation, which can be used for all assets including reservoirs. The construction of a new reservoir is planned within the next 20-year planning horizon.
6. **<u>Question</u>**: *Some explanation of how water use and sewer use are going up 0.85 and 0.75% per year when the population growth is a pretty steady 1.0 - 1.2% per year. This does not, on the surface, make sense.*
    a. **<u>Answer</u>:**
        i. Growth rates were based on historical (2016-2019) actual general facility charge (GFC – new account connections) revenue for each utility. Data provided indicates estimated growth of 0.8%-0.9% for water and 0.7%-0.8% for sewer. The midpoint of those estimates was used. As more low-flow and other conservations devices are used, it is anticipated that the growth factor for the utilities will be slightly less than the population growth rate.
7. **<u>Question</u>**: *Has/is the U of I been part of this process? It seems they will be impacted by the sewer rates and assuring they know what's being contemplated is necessary.*
    a. **<u>Answer</u>:**
        i. The U of I is currently part of the analysis. The current assumptions do not project an increase in U of I contribution or consumption.
8. **<u>Question</u>**: *On slide 19 of the presentation, "multi-family" Is listed as a "non-residential" use. But on slide 24, it seems to reappear as a residential use. I was a bit confused on that - clarification please?*
    a. **<u>Answer</u>:**
        i. This is related to classifying them into the Water Non-Residential Class, and keeping them separate for Sewer. On the water side, accounts with individual meters, which are still multi-family, are treated as residential. Accounts on a master-meter are treated as non-residential.

9. **Question**: *I would like a bit more emphasis/explanation of how the sewer rates are set as regards the impact of low-medium-high users. Are the rates based on actual cost of service to deal with the biosolids/FOG produced? How did we parse-out those rates?*
    a. **Answer:**
        i. The Cost-of-Service Analysis (COSA) looked at cost drivers (customer/flow/strength). The functional allocation and cost classification separates costs by those cost drivers and allocates them to classes of service. This is done by reviewing the design criteria of the plant in service and allocating each expense in alignment with the design of the plant or specific nature of each expense.
        ii. The cost of service identified the costs associated with strength costs (BOD/SS) based on industry standards. Slide 18 summarized strength related costs at a total of 34% representing $2.9 million of the annual revenue requirement. Costs are allocated to low/medium/high customers based on slide 24 strength allocation factors. The differences in strength and resulting cost allocation assign the following factors to determine the proportion of the total strength costs assigned - Low range 200 mg/l, medium 400 and high 600.
        iii. Slide 25 shows the results of the cost of service analysis. Class cost of service adjustments are not recommended at this time due to the change in rate structure and the potential for customers to change categories and change their use which has potential to change the results of the cost of service. All customer class rates are getting the overall average increase of 2.25% (individual account impacts may vary). This transition period will allow for adjustments to the new structure before a strict COSA application. Otherwise, rates could vary significantly through the settling period.

10. **Question**: *Overall, I am a bit concerned that the study is weighted to reducing base rates, and then providing increasing costs depending on actual flow. The study is fundamentally based on that to "balance the cost vs service" that we need to maintain. However, the structure of the rate system encourages conservation (a very good thing), but does the study include enough "buffer" to allow for sufficient funds to be generated if both residential use (wise scaping/toilet replacement) and commercial use (watering landscaping, in-house water use) decrease their consumption/output dramatically in order to reduce their costs? I worry that if usage decreases, we will find ourselves in a revenue/capital shortfall.*
    a. **Answer:**
        i. The study currently does not assume elasticity or reduction of use. Moscow already has one of the lowest per-capita water-use rates in the State. While we are confident that we will continue to experience success with our conservation programs, reductions in use within this rate study period are not anticipated to be on a scale that will cause a shortfall with the proposed structure.
        ii. A higher emphasis can be placed on fixed charges through either a higher fixed fee, or retaining the extra unit charge for master meter accounts.
        iii. Adding elasticity (i.e. conservation driven revenue reductions) impacts would result in higher rate impacts for all classes.

11. **Question**: *What if many of the commercial clients ask for, and are granted a reduction in their classification? Has the impact of that on the revenue stream been contemplated?*

a. **Answer:**

i. We anticipate the number of reclassifications to be quite low. In the event that this occurs, rates can be adjusted in the following fee schedule to meet funding requirements.

12. **Question**: *Slide 6: perhaps I misheard, but the two reserves cited here are 'one time' pools of funds---are they not? It appears we hope to grow them over time (as the value plant and operating costs may increase), but if they remain untapped, there is not a need to newly replace the reserve in each successive year. Is that right?*

    a. **Answer**:

    i. Water may use some reserves ($197k FY2021-FY2023), but overall, in total, both utilities have enough cash right now to meet reserves. Therefore, since they meet the requirement, they will not be replenished unless unanticipated needs force the expenditure of reserves below minimum targets.

    ii. Water capital reserves stay around $4.0-$5.0 million (above target) and build up slightly before the Reservoir Project in FY2035 and Water Operations Building in FY2037 end our projection in FY2039 with $3.7 million.

    iii. The sewer utility builds up reserves starting in FY2029 and by the end of the projection period. This is because average CIP is below depreciation starting FY2026 except for a couple of peak years in FY2028 with disinfection updates, and the FY2035 operations facility. The current main concern is the construction of Phase V. Once the project is constructed, if future CIP is going to continue at the reduced level, annual depreciation funding can be reduced and adjustments modified.

13. **Question**: *Slides 12 and 14: the proposed sewer increase of 2.25% annually creates enough of a cash pool to fully fund the big phase 5 improvements anticipated at the plant.....but I'm left wondering if the rate is then 'too high' (or perhaps still too low) for subsequent years. It seems there may be value in a longer look at the CIP (beyond the six years shown here), to ensure we've accounted for the full array of capital needs. Perhaps the six year window is perfectly adequate……*

    a. **Answer**:

    i. We are starting the analysis with $8.9 million in cash. We are funding $1.6-$2.5 in cash every year, and spending $1.6 million per year on average from FY2020 through FY2024 before Phase V. Over 5 years we accumulate the additional funds needed to build the project, and assure compliance with our NPDES Permit. Our projections into the future are sufficient to meet the needs. After the projected increased growth from new accounts, adjustments will be modified. It is likely that they will be even closer to base inflationary numbers of 1.75-2.00%

    ii. As discussed in the previous answer, the upcoming cost driver is Phase V. Once the City gets through this project, if the annual CIP, besides the two large projects, stays below depreciation levels, depreciation funding may be adjusted and increases reduced. This assumes no need to fund future Phases of the treatment plant. After the 5-year period covered by the study rate adjustments will be re-evaluated, with future CIP taken into consideration.

14. **Question**: *Slide 24: where does the data for flow/BOD/TSS for the various accounts come from? Why are BOD and TSS always the same figure, for a given customer?*

a. **Answer:**

i. The data used through the study was based on California guidelines. Extensive and comprehensive data was used to form said guidelines, and subsequent work has verified their accuracy for the categorization. What the figures imply is that if you are, as a customer, above one of the thresholds, you will be in that class. Without specific monitoring data for each individual business, the established categorization is the best method to gauge use. We are, however, proposing an appeal process by which a business who feels that their operations do not meet the categorization, can submit monitoring data for consideration of reclassification.

15. **Question**: *Slide 25: I'm confused by differences here…..seem to say the fact that two Classes jump well beyond the industry norm of +/- 5%, we need to reevaluate COSA in next study. Does that mean we won't uniformly apply the 2.25% annual increase to sewage costs to all customers in this rate cycle….or that we will……or ?*

a. **Answer:**

i. This means Non-Residential Medium and High need to go up more than average, and residential needs to go down. To avoid double stacking (compounding) impacts for Non-Residential we are proposing to increase each class' revenue by 2.25% (which may vary by individual account) and re-evaluate the results again once the reclassification is completed. The slide shows the results of the cost of service; however, the recommendation is to defer implementing the results until data can be collected under the new rate structure. After a couple of years of data under the new rate structure, cost of service can again be evaluated to determine if the initial cost of service trends exist and the City can begin phasing in results of the cost of service with much more confidence, or if results are showing different results and a recalibrated approach is warranted. The reason for the caution when implementing cost of service under changing conditions is to minimize the risk of rate swinging dramatically from one study to another.

16. **Question**: *Slides 28 onward……don't apply to UI (correct?). What is the total cost UI should expect to pay in the coming years for sewage? With ever declining enrollment, should volumes be reevaluated to ensure 'fair share' usage is captured?*

a. **Answer:**

i. Right now, UI is being applied the overall 2.25% increase similar to all other customer classes. Since rates are not being set on COSA, everyone is applied an across-the-board average. Even if we reevaluate the University's contribution, unless we decide to implement COSA results, it will be based on the overall system average adjustment.

17. **Question**: *Clarification on slide 24, Non-Residential - Low, - Medium, - High. Almost identical # of customers, but higher ccf for medium. Confused by difference between flows and % fund allocation for high and medium.*

a. **Answer**:

i. The average account in the medium category (84ccf/month/account) contributes more flow per account compared to the high category (56ccf/month/account).

ii. Due to this, even though the account allocation is equal at 1.0% the flow allocation is different due to greater per account usage in medium.

iii. The reason why the BOD/TSS shift the allocation back to High is that we weigh the flow by a greater concentration (mg/l) for high. Once the greater weighting is applied the weighted flow becomes similar for both classes.

18. **Question**: *What have other communities done in response to virus, delay for a year?*

a. **Answer**:

i. Majority of the communities are still trying to evaluate the impacts of COVID and acquire enough data. There is typically a lag in information due to timing of billing and consumption. For the Communities that have acted, we have seen the following:

1. No change in action.
2. Deferred rate action several months. This was more in line with municipalities that planned rate action around the March/April timeline.
3. Considered deferring rate action until the following year.
4. Because this is so new, the majority of communities are still trying to figure out an appropriate response based on their financial abilities.
5. There are many factors that go into those decisions as well, in terms of existing financial outlook and performance, bond covenant requirements and System maintenance levels.

19. **Question**: *Adversely affected customers, will the City be conducting outreach?*

b. **Answer:**

i. City staff will absolutely be conducting outreach to our customers, especially those that will see significant increases due to the Non-Residential class restructuring.

Email Questions

1. **Question:** *This question is related to the charges assessed on new meters, specifically the General Facilities Charge (GFC) charge. For a new meter there is a $2,550.00 GFC charge (5/8" inch meter) for new capacity. If I have an existing duplex that is served by one meter and I wish to install a new second meter so each unit is served by separate meters it would seem that we are not adding any new capacity to the building. No additional flow will be used to serve the building. How does the GFC apply to existing buildings that are being split?*

a. **Answer:**

i. On the technical side, and in line with industry standards, water system capacity is certainly increased by adding another meter. But on the functional side the opposite may be true given that individually metered accounts are paid for by individual tenants, leading to increased personal responsibility for water use and therefore decreased water consumption. In this specific case, where building occupancy capacity and use type does not change, we agree that waiving the GFC for the additional meter is appropriate given the increased accountability of tenants for their consumption and the conservation potential. Property owners are still responsible for the cost of the new meter installation itself, and if any future improvements/additions are made to the property that could increase occupancy then the waived GFC would be reinstated.

2. **Question:** *Multifamily (residential) sewer charges are a set monthly fee that is the same for different buildings/unit size, whether it is for one bedroom or four bedrooms. The proposed changes to the Non-residential classes (moving towards more weight on consumption-based charges) are intended to increase equity among customers so that those who contribute more to the system pay more for the services provided. Shouldn't Multifamily use the same kind of system?*

a. **Answer:**

i. Equity is definitely increased with consumption-based billing. All residential accounts (Single family and Multi-family) are currently charged a fixed monthly sewer bill. That amount is determined by computing the total flow and associated strength of sewer contributions for the category and the cost to convey and treat it is then spread throughout the number of units. With all of the changes we have made to the commercial sewer rates it would be quite difficult to make this happen in this cycle. The amount of time required to model these changes is significant, and may take more time and resources than we have before we must move forward with the municipal budget process. Additionally, there are several administrative changes that must be considered (e.g. software capabilities, that are different from the Non-residential classes). But it is definitely worth considering. You have highlighted an area of disparity that we were not aware of, and we now have the ability to apply that information. The same type of comment in 2017 started the process that lead us to where we are now with reorganizing the Non-residential classes. These incremental changes can add up to achieving our goals of equity and fairness in the long run, and although it means a slower process overall, it does provide some benefits. Making a few changes at a time allows the City to more easily evaluate the narrow changes that have been made, and the effects it has on our customers, their consumption habits, and how the utility must respond. If the changes are successful, then it becomes easy to take another step in that direction and evaluate again. The City's current rate is a commonly-used fixed structure for residential sewer bills. Many jurisdictions use this rate structure to improve revenue stability. A movement away from this fixed rate structure would inject uncertainty into the revenue stream and should be made thoughtfully. Additional analysis and evaluation would be required to understand the associated revenue risk.

CRC Second Meeting

https://us02web.zoom.us/rec/share/5cxrdavyp3lLTonf42_iep8TF6X-X6a82ncW_fdeyVatcKUUmZSbIuGnS1Ah0Y4 Password: 3f^+343@

CRC Second Meeting Minutes

City of Moscow 2020 Citizen Rate Committee
Second Meeting

Wednesday June 3, 2020
5:00pm – 7:00pm

Second Meeting
University Inn Best Western Silver Room
https://us02web.zoom.us/j/81739976438

The meeting was called to order at 5:05 p.m.

Agenda Items:

1. Welcome and Introductions

Tyler Palmer started the meeting off explaining the goal of the meeting was to gather as much feedback from the Committee members as possible and a short presentation. He also stated there may be a follow-up meeting if deemed necessary. Introductions were then made.

Committee Members Present: Mike O'Brien, Best Western; Kristie Mattoon, Real Estate Agent; Brian Johnson, University of Idaho Facilities; Jon Kimberling, Farmers Insurance; Art Bettge, City of Moscow Council Member; Dan Schoenberg, Palouse Properties Manager; Erich Hanisch, Safeway Manager; Patty Broehm, Kitchen Counter Owner; Peter Mundt, Gritman Medical Center

Also in Attendance: Tyler Palmer, City of Moscow Deputy City Supervisor; Evan Timar, City of Moscow WRRF Manager; Mike Parker, City of Moscow Water Manager; Gary Riedner, City of Moscow City Supervisor; Ty Thompson, City of Moscow Compliance Coordinator; Jenifer Rossini, City of Moscow Administrative Assistant; Angie Sanchez, FCS Group; Sergey Tarasov, FCS Group; Wyatt Zimbelman, FCS Group.

2. Rate overview and review

Gary Riedner gave a brief explanation for the reasoning behind the rate study. Tyler did a quick review of the Cities Water and Sewer systems. He talked about why it was so important to take care of these essential systems as they age. Tyler stated that Water and Sewer services are shared between the whole community and there is a cost to these services; a cost that needs to be shared among everyone using the services. The City maintains these systems as efficiently as possible, establishes what it costs, and then works to distribute this cost as equitably as possible. Jon Kimberling mentioned the Palouse Basin Aquifer (PBAC) and how the work they are doing ties into the rates and conservation within the City of Moscow. Tyler went on to say that this point does tie into one of the questions in the Questions and Answers section of the study. Tyler summarized the question, "*what happens if we make a shift to a cost of service rate of what resident actually uses accurately, what if people start to use a lot less?*" Tyler stated that Moscow already has the lowest per capita water use in the State and that gives the City confidence to transition to this new service rate structure.

3. Objectives, structure, format

4. Responses to submitted questions

Please refer to Question and Answer document for full response to each question

Question 1: Tyler went on to say that the City can better look at each account and work with the account owner to determine the direct impact. Dan Schoenberg shared that there was a concern over the water and sewer rate fees (annually) for multifamily residential costing more then the taxes on the property. Gary replied stating Idaho Law dictates that the City can only charge a reasonable fee for the service. And that is why these rate studies are so important. Dan shared more concerns over the affordability and holding the City at a higher level of accountability. Gary agreed with the affordability of these utility rates, and that with the help of FCS Group and other programs, are helping with this. Tyler talked about how affordability is a major concern locally and nationwide.

Question 2: Sergey did say FCS did not include the operating side since the planning stages aren't complete in all components, but they do have an operating contingency included in analysis. He says they didn't want to double stack expenses and potentially have greater pressure because the contingency would be in-line with the operating costs. There is not a direct plan for those costs, but there are other components that they try to account for the unknowns in the future.

Question 3: Angie Sanchez clarified why FCS used California guidelines. California has done more rigorous studies with these classifications which provide an industry wide standard documents that people use to categorize rates. Dan asked a question in regards to future sewer rates, which Tyler explained was a question that will be brought up later in the Q&A portion.

Question 4: Art Bettge asked for more clarification in regards to classification for churches. Art would like to see if Multifamily could be noted as a residential function for clarity. Tyler explained that by simplifying the classification the City is adding nuances to the system. Tyler continued; classification will be based on the function of the facility rather than the name of the facility.

Question 5: No further explanation was needed.

Question 6: No further explanation was needed.

Question: 7: U of I is on a separate contract with the City and any updates to their flow and loading assumptions will need to be discussed.

Question 8: Art made a suggestion in regards to making sure it is clear that multifamily is still a residential function.

Question 9: No further explanation was needed.

Question 10: Tyler provided a quick re-cap of the answer to this question; the City will establish the costs associated with each class. Kristin Mattoon asked if the appeal process will stay the same. Tyler responded with the appeal process doesn't have a limit on it. Tyler also went on to talk about how conservation may affect revenue with new service rates. He says even if revenue is affected by a few percentage points, it can be made up latter in a different rate study.

Question 11: No further explanation was needed.

Question 12: No further explanation was needed.

Question 13: No further explanation was needed.

Question 14: No further explanation was needed.

Question 15: No further explanation was needed.

Question 16: No further explanation was needed.

Questions 17: No further explanation was needed.

Question 18: Gary also informed the group that the new Storm water Utility system that was supposed to start up in fall 2020 has been pushed back a year. The utilities that have sufficient reserves and healthy cash flows, that do not have critical capital needs, will be delayed. Jon made several comments being sensitive to the citizen's feelings regarding these changes.

Question 19: Gary added some clarification to how the rates are adjusted with the information given to them from FCS Group.

5. General discussion

Each member's final thoughts/summary of meeting:

Art: Well-articulated, well laid out. Art feels it needs a more condensed, executive summary for citizens. Outreach will be key.

Jon: Suggested a survey on how the City stacks up to other cities.

Dan: Moscow's population will not drop, even if the University loses students. Mentioned that stormwater is coming and would like to know the impact of this utility sooner than later. He appreciates FCS Groups' data as well.

Brian: Asked for greater clarity on when and how the rate increases will be imposed.

Erich: Seeing the new bill on paper will help make it clearer. Perhaps a forum for people who have questions in regards to their bill.

Kristine: Appreciation to FCS Group and City employees for all their work. New rates make sense. She understands the need to keep infrastructure up and agrees with the auditing inclusion.

Mike: Very fair and thought out.

Patty: She believes the City Water Department is heading in the right direction. She's happy that there will be a process for citizens to address their rates, if they feel they are inaccurate.

Peter: Appreciates the level of detail and preparation. He is in support of simplifying the classifications and allocating a more proportional part of the burden to the highest volume users.

Kevin: It seems straight forward, well thought out and makes sense. Charging customers more accurately based on their usage and planning for future needs. I know more about sewage now than I ever thought I would!

Group Poll: The group expressed unanimous support for the rates and structure as presented.

Also Discussed: Tyler wrapped up meeting and stated that the general consensus of the group was in support of the new concept.

6. Adjourn 7:10 p.m

CITY COUNCIL STAFF REPORT

DATE: Monday, July 6, 2020

RESPONSIBLE STAFF	REVIEWED BY
Gary Riedner, City Supervisor	

ADDITIONAL PRESENTER(S)	OTHER RESOURCES

AGENDA ITEM TITLE

Corona Virus Recovery Fund Public Safety Payroll Reimbursement / Property Tax Relief (ACTION ITEM) - Gary J. Riedner

DESCRIPTION

On June 11, 2020, Governor Brad Little announced that the Coronavirus Financial Advisory Committee (CFAC) had approved $200 million in federal Coronavirus Aid, Relief and Economic Security Act (CARES Act) funds to support public safety and pass property tax reductions to taxpayers. The program seeks to reimburse local government for the pay and benefits paid to public health and public safety employees from March 1, 2020 through December 30, 2020. The exact amount of reimbursement is determined by the amount reimbursable expenses are claimed, up to an allocation determined both by population and the number of applicants for the $200 million fund. This fund is in addition to the original CARES Act allocation to the City of Moscow in the amount of $887,100 for reimbursement of expenses incurred in responding to the COVID-19 pandemic.

In order to access the City's allocation of the $200 million, the City would provide an amount of property tax relief to taxpayers equal to the amount reimbursed under the program. The City must issue a "letter of intent" to the state by July 17 in order to be eligible for the program. The "letter of intent" will also indicate the amount of public health and/or public safety pay and benefits for which reimbursement will be sought.

Unfortunately, in spite of repeated attempts, staff has been unable to obtain written specifics of the program at this time, including what potential impacts might result in future budget years. Staff has been advised that information will be issued during the week of July 6, which will contain specifics of the program. Staff has been advised that the "letter of intent" is non-binding, and does not obligate the City to take advantage of the program, or to commit to any property tax relief. Staff is requesting authorization for the Mayor to issue the non-binding "letter of intent" in order for the State to calculate the amount of allocation available to the City. Such allocation amount is expected to be issued by the State on July 24. Staff will seek further direction from City Council regarding whether to proceed further with the program and whether to seek reimbursement.

STAFF RECOMMENDATION

Authorize the Mayor to issue the non-binding "letter of intent" on or before July 17, 2020, and to seek further direction from City Council prior to further commitment to participate in the program.

PROPOSED ACTIONS

PROPOSED ACTIONS: Authorize the Mayor to issue the non-binding "letter of intent" on or before

July 17, 2020, and to seek further direction from City Council prior to further commitment to participate in the program, or take such further action deemed appropriate.

FISCAL IMPACT

From preliminary discussions with the Idaho Division of Financial Management, the amount of the City's allocation could be $1.5 million. The actual amount has not been determined.

PERSONNEL IMPACT

ATTACHMENTS

1. CRF_Payroll_Implementation
2. COVID Relief Fund Local Guidance Updated 6.22.20
3. COVID Relief Fund FAQ Updated 6.24.20
4. $200 Million Property Tax Relief

Leveraging the CRF to Cover Qualified Payroll Costs if Local Governments Pass Savings on in Form of Property Tax Relief

Program Goals

- Allow city and county governments to opt into using CRF dollars to cover the payroll of public health and public safety employees if they agree to pass along the resulting budget savings to Idahoans in the form of property tax relief.

- Support our police, fire, and EMS employees and ensure there are no reductions in public safety during these unprecedented COVID-19 related challenges.

- Provide up to $200 million in property tax relief to Idahoans.

Conditions of Participation

- The participating local government must pass along covered payroll savings to Idahoans in the form of property tax relief.

- The dollar amount of property taxes certified for the annual budget may not be increased by any growth factor, except for value shown on the new construction rolls and annexations (and other statutory exemptions). Thus, the local government may not take the 3% increase (or any percent increase) and may not use previous foregone.

- The participating local government must submit a notice of intent to participate and provide actual payroll data for the months of March - June as well as estimated payroll data for the months of July – December on the attached spreadsheet no later than July 17, 2020.

- If total amounts submitted by participating local governments exceeds $200 million, CFAC will determine allocation of funds to participating local governments.

- On or before July 24, 2020, CFAC will provide each participating local government the maximum amount of payroll costs available to local government entities.

- On or before August 1, 2020, participating local governments must certify to DFM the amount of tax relief that they will provide citizens under this program a copy of which shall also be submitted with the county clerk and county treasurer of the respective county.

Payroll Definitions

For the purposes of this program, the following definitions apply:

- “Payroll costs” means the costs associated with salary, health benefits, and variable benefits, including retirement, health insurance, and workers comp. This does not include hazard pay or overtime benefits that have been or will be covered using other sources of federal funds.

- “Public health employees” means the following entities that the local government can attest have been substantially dedicated to COVID:
    - Personnel associated with the Idaho Public Health Districts.

- "Public safety employees" means the following entities that the local government can attest have been substantially dedicated to COVID:
  - County Sheriff deputies, including patrol, jail, and dispatch,
  - County coroners and coroner staff
  - Police officers,
  - Juvenile and adult detention and probation officers,
  - Firefighters,
  - Ambulance – inclusive of EMS and paramedics, and
  - Emergency management and emergency communications employees

How will CFAC Determine How Much of a Local Government's Payroll Costs Will Be Covered?

- CFAC will need to develop an allocation to each government that opts-in to participating. Approximately $188 million is available for allocation (in addition to the $94 million that has already been allocated).

- The allocation per local government will be dependent on the number of entities that opt into participation.

- CFAC will look at an allocation based on population and on estimated payroll expenses.

- Each local government will be provided their allocation estimate by July 24, 2020. If all local governments opt-in, it is likely that the allocation will be less than the total payroll costs.

How Should Local Governments Submit their Notice of Intent by July 17, 2020?

- The clerk of the local government shall notify the CFAC chairman electronically no later than 5:00 p.m. MT on July 17th.

- The notification should note the local government's intent to participate in this program and will serve as the basis of CFAC establishing an allocation for the local government.

- The notice should be emailed to Alex Adams, CFAC Chairman, at Alex.Adams@DFM.idaho.gov

How Should Local Governments Compute their Payroll for Submission by July 17, 2020

- Payroll costs will only be covered for the time period covered under the CARES Act:
  - March 1, 2020 through December 30, 2020.

- For public health employees, each county should:
  - Multiply its annual health district assessment by 0.8333 to cover the time period covered by the CARES Act (10 months).
  - Multiply the 10-month assessment by 0.80

- For governments that contract with public safety employees:
  - If the contract is with another government entity that is participating in this program, the public safety payroll should be submitted only by the entity directly providing the service. This will avoid duplicate billing for the same employees.

- If the contract is with a private company or with another government entity that is NOT participating in this program, the county should ascertain the amount of the contract that is dedicated to personnel costs.
  - If this information is not readily available from the contractor, the government may multiply the contract by 0.50

How Should Local Governments Certify Their Property Tax Levy?

- The local government should certify their property tax with the State Tax Commission through normal procedures.

- To participate, the dollar amount of property taxes certified for the annual budget may not be increased by any growth factor, except for value shown on the new construction rolls and annexations (and other statutory exemptions).

- The amount of property tax relief will not be certified on the L2 as this will be provided separately by the participating local government.

How will Payroll Costs be Reimbursed?

- After completing their certification of property tax levy, each participating city and county government must submit to DFM their final intent to participate in the property tax relief program as well as the amount of property tax relief that they will provide citizens under this program by September 18, 2020.

- By September 18, 2020, each city and county government must submit documentation to the State Controller on their actual public health and public safety payroll expenses from March 1 through August 30, and their estimated payroll expenses through December 30.

- By October 1, 2020, DFM shall notify county treasurers of the amount of property tax relief for county residents.

- By December 15, 2020, the State Controller sends a check to city and county governments for covered payroll costs:
  - The covered amount must be within the CFAC allocation established for each city/county; **and**
  - The covered amount must not exceed 103% of the property tax relief certified on or before September 20, and may not exceed actual payroll costs, whichever amount is less.

Table 1. Example Local Government

Variable	City 1	City 2
CFAC Allocation	$5,000,000	$10,000,000
Certified Property Tax Relief	$2,000,000	$5,000,000
Public Health and Public Safety Payroll	$3,000,000	$5,500,000

Amount of Payroll to be Reimbursed by Coronavirus Relief Fund	$2,060,000	$5,150,000
Description	Reimbursed at 103% of certified property tax relief and within CFAC allocation	Reimbursed at 103% of certified property tax relief and within CFAC allocation

How Will Taxpayers See the Property Tax Savings?

- Property tax savings will show up as a credit on the property tax notice.
- The property tax credit will reduce the overall amount of property taxes paid by Idaho taxpayers.

Who Can I Contact for More Information?

- Alex Adams, CFAC Chairman
  Alex.Adams@DFM.idaho.gov
  (208) 854-3053

Coronavirus Relief Fund
Guidance for State, Territorial, Local, and Tribal Governments
Updated June 30, 2020[1]

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The CARES Act established the Coronavirus Relief Fund (the "Fund") and appropriated $150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.[2]

The guidance that follows sets forth the Department of the Treasury's interpretation of these limitations on the permissible use of Fund payments.

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred "due to" the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be "necessary." The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

Costs not accounted for in the budget most recently approved as of March 27, 2020

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the

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[1] This version updates the guidance provided under "Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020".

[2] *See* Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The "most recently approved" budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the "covered period"). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID–19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise. Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient's usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, *e.g.*, the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient's control.

This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

Nonexclusive examples of eligible expenditures

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
    - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
    - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
    - Costs of providing COVID-19 testing, including serological testing.
    - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
    - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
    - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
    - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
    - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
    - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
    - Expenses for public safety measures undertaken in response to COVID-19.
    - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
    - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
    - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
    - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.

- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
- COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
- Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.

5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
   - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
   - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
   - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Nonexclusive examples of ineligible expenditures[3]

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.[4]
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

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[3] In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

[4] *See* 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

Coronavirus Relief Fund
Frequently Asked Questions
Updated as of June 24, 2020

The following answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, ("Guidance").[1] Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

Eligible Expenditures

Are governments required to submit proposed expenditures to Treasury for approval?

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a "substantially different use" for purposes of the Fund eligibility?

Costs incurred for a "substantially different use" include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

Note that a public function does not become a "substantially different use" merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

[1] The Guidance is available at https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf.

May a State receiving a payment transfer funds to a local government?

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

May a unit of local government receiving a Fund payment transfer funds to another unit of government?

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

Are States permitted to use Fund payments to support state unemployment insurance funds generally?

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

The Guidance states that the Fund may support a "broad range of uses" including payroll expenses for several classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What are some examples of types of covered employees?

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers' compensation coverage. Is the cost of this expanded workers compensation coverage eligible?

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

May Fund payments be used for COVID-19 public health emergency recovery planning?

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

Are expenses associated with contact tracing eligible?

Yes, expenses associated with contract tracing are eligible.

To what extent may a government use Fund payments to support the operations of private hospitals?

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

May recipients create a "payroll support program" for public employees?

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a "small business," and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

May Fund payments be used to assist impacted property owners with the payment of their property taxes?

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of "hazard pay"?

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

The Guidance provides that ineligible expenditures include "[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency." Is this intended to relate only to public employees?

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers' employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.

Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum $1.25 billion allocation and had one county with a population over 500,000 that received $250 million directly. The State should distribute 45 percent of the $1 billion it received, or $450 million, to local governments within the State with a population of 500,000 or less.

May a State impose restrictions on transfers of funds to local governments?

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions are not permissible.

If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?

No. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals.

May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

May recipients use Fund payments to provide loans?

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

May funds be used to satisfy non-federal matching requirements under the Stafford Act?

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.

May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

Questions Related to Administration of Fund Payments

Do governments have to return unspent funds to Treasury?

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

What records must be kept by governments receiving payment?

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

May recipients deposit Fund payments into interest bearing accounts?

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

May governments retain assets purchased with payments from the Fund?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

Are Fund payments to State, territorial, local, and tribal governments considered grants?

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

Are Fund payments subject to other requirements of the Uniform Guidance?

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?

Yes. The CFDA number assigned to the Fund is 21.019.

If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend $750,000 or more in federal awards during their fiscal year.

Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program

approved for new program to support public safety, pass savings onto p

pproved today the allocation of up to $200 million for a new program that leverages federal coronavirus relief funds to cover lo

20-percent reduction in your property tax bill this year.

and ensure there are no reductions in public safety during these unprecedented challenges. I appreciate the cities and counties
ernment budgets," Governor Little said.

pate.

# # #

City Council Staff Report

DATE: Monday, July 6, 2020

RESPONSIBLE STAFF	REVIEWED BY
Gary J. Riedner, Jen Pfiffner, Assistant City Supervisor	

ADDITIONAL PRESENTER(S)	OTHER RESOURCES

AGENDA ITEM TITLE

City of Moscow Benefits Proposal for Plan Year August 1, 2020 through July 31, 2021 (ACTION ITEM) - Gary J. Riedner

DESCRIPTION

The process for reviewing, adjusting, and developing the City's Employee Benefits Program begins in the early spring. The plan year for the City's Benefits Program is August 1 through July 31. Per the City's Strategic Plan issue managed by Human Resources, the goal of the benefits program is designed to provide the best benefit coverage for employees in the most fiscally responsible manner. The annual renewal process requires a considerable amount of work to evaluate renewal options, including historical use of benefits properly, an increase in rates dictated by providers, and adjustments to benefits to meet employees' needs while continuing to fiscally responsible.

The City partners with The Murray Group, which manages and negotiates the City benefits contracts annually. For the next plan year, August 1, 2020, through July 31, 2021, an initial increase of 13.42% for medical coverage was anticipated. The Murray Group worked with the City's current medical provider to determine what plan adjustments should be considered to help reduce that significant increase in cost while providing attractive benefits for employees and their dependents. The resulting of those negotiations decreased the quote increase from 13.42% to 5.01%, but included the following plan changes:

- Eliminate annual upfront benefit of $400 for laboratory/radiology services; costs would be paid by the employee and apply to appropriate deductibles
- Increase Out of Pocket Maximums for individuals from $2,300 to $5,000 and families from $4,600 to $10,000.
- Moving the City's plan from Regence's Traditional classification to their Classic classification. This moves from a three-tier provider network to a two-tier provider network. There is no expected impact to access to providers in our network.

As noted, with these changes, the increase in costs was reduced to 5.01% for medical and vision coverage, with no other premium increases for other benefits.

To address these changes, the City is proposing the following:

- Provide a Health Reimbursement Account for all employees and dependents to help cover increased Out of Pocket Maximums for more than $3,500 for individuals and $7,000 for families.

The total cost increase is a total of $157,114, including the 5.01% increase to medical and vision benefits at $92,114 and an increase for the proposed HRA program at $65,000. Compared to the initial increase quoted of 13.42% ($242,453), the program's suggested adjustments result in a cost savings of $85,339.

Open enrollment for employees to change benefits began on June 26 and is open through July 8 to meet the plan year deadlines. A full description of all benefits offered for the 2020-2021 plan year is included in the packet.

STAFF RECOMMENDATION

Approve adjustments to benefits and related costs associated with those changes to the City of Moscow's Employee Benefit Program.

PROPOSED ACTIONS

PROPOSED ACTIONS: Approve adjustment to benefits and related costs associated with those changes to the City of Moscow's Employee Benefit Program, or take other such action deemed appropriate.

FISCAL IMPACT

PERSONNEL IMPACT

ATTACHMENTS

1. Open Enrollment Flyer 2020
2. memo - Max Out of Pocket Self-Insurance

OPEN ENROLLMENT

JUNE 26 TO JULY 8, 2020

HUMAN RESOURCES DEPARTMENT

FOR THE BENEFIT PLAN YEAR AUGUST 1, 2020 TO JULY 31, 2021

Open Enrollment (June 26 through July 8) is when City of Moscow employees may make changes to their benefit elections for the upcoming plan year (August 1, 2020 through July 31, 2021). Answer the questions below to know if you need to complete the open enrollment process.

	Yes	No
I want to change my dental provider.	☐	☐
I want to add or change voluntary insurance options. (critical illness, accident, life or long-term disability)	☐	☐
I want to elect or continue flexible spending (also known as FSA or PEAK1) dollars.	☐	☐

If you answered **YES** to **ANY** of the questions, you must complete the open enrollment process.
If you answered **NO** to **ALL** of the above, you do not have to complete the open enrollment process.
Open Enrollment is also a great opportunity to re-familiarize yourself with the coverage you have as a valued employee of the City of Moscow.

BENEFIT CHANGES EFFECTIVE AUGUST 1, 2020

MEDICAL – 5% COST INCREASE TO EMPLOYEE AND CITY

- Diagnostic Lab/Radiology is now applied to Deductible & Coinsurance only
  - To help offset that cost, VEBA contributions are proposed at $500 up from $350 for the coming year.
- Out of Pocket Maximums are increasing from $2,300 for individuals and $4,600 for families to $5,000 for individuals and $10,000 for families
  - The City is providing a Health Reimbursement Account for all employees and dependents to cover any OOPM over $3,500 for individuals and over $7,000 for families.
- Moving from the Innova Platform to the Classic Platform, no change to available providers in the area, however, **ALL employees will receive new ID cards.**

VISION – 5% COST INCREASE; NO CHANGES TO COVERAGE

- $10 Copay for Eye Exams
- $25 Copy for Prescription Lenses
- $150 Allowance for Frames or Contact Lenses

DENTAL – NO COST INCREASE, NO CHANGE IN COVERAGE

Employees have TWO (2) Options for Dental Coverage. During Open Enrollment, you may elect to switch plans. Please review the benefits and coverage differences between these two dental plans and contact The Murray Group if you have any questions. Regence and Willamette comparisons follow…

Regence	Willamette
• Diagnostic, Preventative, Cleanings Covered at 100% • Basic Services Covered at 80% • Major Services Covered at 50% • No Orthodontia Coverage • Deductible $25 ind./$75 family	• $15 Office Visit Copay, no annual max • Diagnostic, Preventative, Fillings, Cleanings $15 Copay • Crowns and Bridges $200/tooth • Orthodontia $2,000 Copay • Nitrous Oxide $20 Copay • Implant Surgery $1,500 Benefit Maximum

FLEXIBLE SPENDING ACCOUNT (FSA) – NO CHANGES

This benefit allows you to pay for your out-of-pocket medical, dental and vision expenses and dependent care expenses with pre-tax dollars, which lowers your tax liability.

With higher Out of Pocket Maximums, employees may want to consider increasing or participating in the FSA program for the coming plan year.

- **If you currently contribute to the Flexible Spending Plan and want to in the coming plan year, you must complete the open enrollment process for the 2020-21 plan year**.
- If you have un-used FSA funds, up to $500 will be rolled over to the next plan year.

IRS Limits on FSA Elections Amounts	
Flexible Spending Account (FSA): Medical, Dental, & Vision Expenses	Maximum: $2,750 Annual IRS Limit ($229.16/month)
Dependent Care FSA: Daycare Expenses for dependent Children	Maximum: $5,000 Annual IRS Limit ($416/month)

UNITED HERITAGE VOLUNTARY BENEFITS – NO CHANGES

- Voluntary Life, Long-Term Disability, Accident and/or Critical Illness Plans.
  - **New to these plans? A personal health statement must be completed in order to be approved for coverage. Coverage will not be active until a health statement is submitted and approved.**
- Refer to benefit details in Employee Navigator for coverage amounts and monthly costs for voluntary plans as these costs vary by employee and coverage choices.

Optional Voluntary or Supplemental Benefits	
Voluntary Supplemental Life	Employees may purchase additional life insurance for themselves and their spouse and children at low, monthly group rates.
Voluntary Long-Term Disability	Employees may purchase Long Term Disability Insurance which covers 60% of their monthly salary in the event they are unable to work due to a disability.
Voluntary Critical Illness	Lump sum benefit amounts for 15 of the most common Critical Illnesses. Wellness Screening Benefit of $25 annually.
Voluntary Accident	Pays flat benefit amount for costs caused by an accident. (No Health Statement Required to enroll during Open Enrollment).

BENEFITS PROVIDED AT NO-COST TO EMPLOYEES - VEBA AND HRA INCREASED

These following benefits are provided to all employees and dependents at no cost to the employee.

- Basic Group Life
  - City of Moscow pays for each employee the following benefit amounts:
    - One times annual salary up to $150,000
    - Public Safety Officers: Additional Occupational Death Benefit of 100% of the principal sum to a maximum of $50,000
- Employee Assistance Program (EAP) – Reliant Behavioral Health EAP
  - Counseling
    - 24-hour Crisis Help - Toll-free access for you or a family member in crisis.
    - Confidential Counseling - Face-to-face counseling sessions for each new issue, including family, relationships, stress, anxiety, and other common challenges.
    - eAccess - Convenient access to online consultations with licensed counselors.
  - Life-Balance
    - Financial Services - Speak with a professional regarding your budget, credit, retirement, investment, tax or other financial questions.
    - Home Ownership Program - Free support and information about making smarter choices when shopping for a new home; making financing and/or refinancing decisions; relocating; or selling a home.
    - Identity Theft Services - Support in planning the recovery process for restoring your identity and credit after an incident.
    - Legal and Mediation Services - Legal services include a free, half-hour consultation, by phone or in person, followed with a 25% discount in legal fees. (Legal services are not provided for any employer related issues.) Mediation services include free consultations for personal, family, and non-work related issues such as divorce, neighbor disputes, or real estate. A discount of 25% is available if a professional mediator is retained.
    - Wills & Other Legal Forms - Complete on your own time various legal documents, including state-specific wills, living trusts, and many others.
    - College Planning Program - Access a free 15-minute consultation with a college planning specialist to assist with SAT/ACT prep, scholarships, grants, financial aid and other college related issues followed by a 30% discount in program fees.
  - Work-Site
    - Worksite Services - Telephonic supervisor consultations, on-site orientations, topical trainings, critical incident response, and online supervisor resources.
- Health Reimbursement Account - VEBA
  - Administration is proposing a $500 contribution to each employee for their Health Reimbursement Account VEBA plan for 2020-2021.
- Health Reimbursement Account - PEAK1
  - Administration is proposing a fund to cover Out of Pocket Maximums (OOPM) above and beyond $3,500 for individuals and more than $7,000 for families for each employee. Costs to the City include the membership fee and the actual costs for the additional coverage above $3,500 for individuals and $7,000 for families.

BENEFIT COSTS FOR AUGUST 1, 2020 TO JULY 31, 2021

The Murray Group, on behalf of the City of Moscow, manages and negotiates the City benefits contracts annually. For the 2020-2021 plan year, an initial increase of 13.42% for medical coverage was anticipated. The Murray Group then worked with Regence and with the plan adjustments outlined above were able to reduce the increase in premium to 5% for medical and vision coverage, with no other premium increases. The City was then able to help offset reductions in benefits with additional VEBA and HRA assistance to help bridge the reduced benefits for employees. With these changes, the following table shows the rates that will be in effect as of August 1, 2020. There are two tables below, one showing the **monthly** medical, vision and dental costs for those who elect REGENCE dental, the second showing **monthly** costs for those who elect Willamette dental.

Medical, Vision, & REGENCE Dental	Monthly Premium	City Cost	Employee Cost
Employee Only	$719.42	$719.42	$0.00
Employee & Spouse	$1,506.32	$1,112.87	$393.45
Employee & Child	$1,169.03	$944.23	$224.81
Employee & Children	$1,374.73	$1,047.08	$327.66
Employee, Spouse, & Child	$1,958.40	$1,338.91	$619.49
Employee, Spouse, & Children	$2,164.10	$1,441.76	$722.34

Medical, Vision & WILLAMETTE Dental	Monthly Premium	City Cost	Employee Cost
Employee Only	$726.87	$726.87	$0.00
Employee & Spouse	$1,521.17	$1,124.02	$397.15
Employee & Child	$1,183.88	$955.38	$228.51
Employee & Children	$1,389.58	$1,058.23	$331.36
Employee, Spouse, & Child	$1,980.75	$1,353.81	$626.94
Employee, Spouse, & Children	$2,186.45	$1,456.66	$729.79

TO CHANGE BENEFITS OR ENROLL IN NEW BENEFITS

1. Each employee will receive an e-mail from Employee Navigator on June 26th once Open Enrollment has opened.
2. Employees will login to www.employeenavigator.com beginning June 26th using their Employee Navigator username and password.
3. If you have not registered, follow the Registration Link in the email and enter the Company Identifier: COMIdaho.
4. If you have questions or need assistance logging in, please contact Natalie or Sam at The Murray Group: 208-765-2620.

NO CHANGES TO MAKE?
ELECTIONS WILL CONTINUE AS-IS AT THE NEW RATES

MEMORANDUM

To: Mayor & City Council

From: Gary J. Riedner, City Supervisor

c: Jen Pfiffner, Acting HR Director, Sarah Banks, Finance Director

Date: June 19, 2020

Re: **City Employee Health Insurance Renewal**

As Council is aware, the City provides health insurance to its employees as a benefit. Under current City policy, the City provides 100% of the cost of the individual employee's health insurance, including vision and dental insurance, as well as one-half (1/2) of the cost of dependents' coverage. The coverage is for the "plan year", which begins August 1, and ends the subsequent July 31.

The annual premium paid for health insurance is negotiated each year between the City and Regence Group. The amount of increase in the premium each year is a function of several factors, chief among which is the usage of the benefit by plan participants, more commonly called "experience". This experience determines whether the amount of benefits paid out on behalf of employees is adequately funded by premiums paid into the plan, leaving some amount for overhead and profit. In other words, how much does Regence Group pay out in medical bills compared to premiums received?

As Council also knows, for the past three years, staff has advocated for the City to become approved by the Idaho Department of Insurance to self-fund our health insurance program, rather than purchasing "full service" coverage from a vendor such as Regence Group. We had undertaken the initial steps to obtain approval, and performed the actuarial analysis necessary to proceed. Staff obtained Council approval to move forward, and funds were retained in the several City funds to finance the reserve requirement of self-insurance. Staff also began to obtain quotes for the administration of the self-funded plan, which included the purchase of "stop-loss" insurance, which was necessary for the City to limit its total liability to a set amount, after which the "stop loss" insurance would pay any amount of an individual claim which exceeded the pre-determined amount. There was also additional "aggregate stop-loss" insurance that would limit all claims to certain pre-determined amount, thereby allowing the City to control its exposure to risk of extraordinary claims on an annual basis.

The self-insurance process was delayed due to the fact that the experience of plan members was much higher than historical averages, and as a result, the cost of both the stop-loss and aggregate stop-loss insurance was much higher than anticipated. This was the same scenario the following year, and the trend has continued into the current plan year. This means that self-insurance is not economical at this point.

It seems counter-intuitive that it could be more economical to pay for "full service" health insurance than to administer a self-funded program. After all, the claims are the same. The difference is in the number of plan participants. If the City were to be self-insured, then from an actuarial standpoint, the risk (and the cost) of the higher claims are spread over a smaller group of plan participants, rather than the ability to spread the risk (and the cost) of those higher claims over the much larger group of Regence Group's policy holders. This has a direct effect on the City's ability to manage program costs, specifically for stop-loss and aggregate stop-loss policies.

That is not to say that increased claims will not have the effect of increasing subsequent year's premiums. This is what is happening in the upcoming plan year. Regence Group initially proposed an increase of 13.42%, which represents additional premium payments to the City (exclusive of employees' share of dependent coverage) in the amount of $242,453. As this represented a huge increase, we explored ways to reduce the premium increase, including increase in the level of deductible, increase in annual out-of-pocket maximums (OOPM), and/or reduction or elimination of other benefits.

After thorough analysis, Murry Group (our health benefits consultant) negotiated with Regence Group and an increase in the premium in the amount 5.01% was offered last Monday, which required the following changes in the current plan:

1. Under the current plan, there is an annual upfront benefit of $400 for laboratory/radiology services which does not require co-pay or payment of deductible. Regence requires elimination of that upfront benefit as one factor in offering the 5.01% premium increase. Laboratory/Radiology services would be subject to deductible and co-pay. In 2019, eighty (80) plan participants out of 303 utilized this up-front benefit.

2. Under the current plan, the medical OOPM for which an individual would be responsible in a plan year is $2,300 and family OOPM is $4,600 per plan year. For the lower renewal rate, Regence requires the individual OOPM to increase to $5,000 and family OOPM to $10,000. According to records, an average of eight (8) family plan participants met the current OOPM of $4,600. (It is important to note that plan participants are also subject to an OOPM of $3,000 for prescriptions, which is separate from the medical OOPMs referenced above)

3. After further investigation, an increase in deductible would have to be very large to yield any appreciable benefit, so none were proposed.

Base upon the foregoing, I would propose the following:

That the City accept the negotiated plan changes, which while they have a negative impact to employee benefits, that impact can be mitigated through the following:

1. The City could elect to provide a separate Health Reimbursement Account (HRA) for a small portion of the health benefits plan. Specifically, the increase in the family OOPM is a large increase which could have a catastrophic impact on a family's finances, especially if it were to occur in successive years. The City could implement an HRA program to assist in covering costs above and beyond a family's OOPM effectively limiting the total OOPM to $5,000, rather than the proposed family OOPM of $10,000.

- In order to accomplish this, the City would calculate the amount of reserve it would need to maintain in order to pay any family out-of-pocket expenses. According to records and actuarial analysis conducted by Murray, this amount would be approximately $60,000. This amount would be sufficient to cover any annual family out-of-pocket expenses in excess of $5,000.

- The City has reserves in its several funds that were retained for the implementation of the previously referenced self-funding program, which will not be pursued at this time, because of the large increase in experience. Those monies could be used for this OOPM self-funding proposal.

- The OOPM self-funding proposal would be administered by PEAK1, the firm that currently provides Flexible Spending Account (FSA) services to employees. PEAK1 would expand its services to provide Health Reserve Account (HRA) services, allowing it to administer the OOPM self-funding plan. The annual cost of administration would be approximately $5,700. Employees would submit claims directly to PEAK1 for consideration. PEAK1 would have access to the City's reserve amounts on demand for payment of approved claims. Only claims that are received are paid, if claims are lower the total cost would be lower, while if the claims are higher than anticipated, additional funds would be required.

Again, while this proposal still results in decreased benefits to employees, it represents a very satisfactory compromise between a huge premium increase and/or a huge reduction in benefits. In addition, it represents a savings of $152,000 in premium increases (13.42% - 5.01% = 8.41%; or $242,453 - $90,308 = $152,145). Obviously the annual OOPM HRA Program reserve is at risk in the estimated amount of $60,000, but this number will vary upon the number of claims made. Overall the program will result in an overall reduction in premium as a result of the proposed plan changes.

As I noted above, this information has just been made available by Regence and we are getting ready for "open enrollment", which is the one time of year that employees may make changes to their individual plans (such as dependent coverage) and FSA choices. We intend to announce open enrollment on June 26, next Friday. We are under a tight time frame to announce the health program and give employees a chance to absorb and analyze the information in time for them to make informed choices during open enrollment.

For this reason, I am requesting that you review this memo independent of one another and let me know individually if you are in favor of proceeding with this proposal. If I receive positive feedback, I will accept Regence Group's proposal and we will begin open enrollment. This will constitute the agreement for the upcoming plan year. I will prepare a formal agenda item for submission at the City Council meeting of July 6, where I will seek ratification of my action in accepting the Regence proposal.

I regret that this information was not received in time for consideration at the Council meeting of June 15, however we are under a tight time frame and I ask for your consideration.

Thank you. I hope to hear from you with your response and feedback.