

Moscow City Council



Regular Meeting ~Minutes~

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Laurie M. Hopkins
City Clerk

208.883.7015

Monday, August 2, 2021

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, Brandy Sullivan, Gina Taruscio, Anne Zabala

ABSENT:

STAFF: Gary J. Riedner, Mia Bautista, Bill Belknap, Sarah Banks, Jen Pfiffner, Tyler Palmer, Megan Cherry, James Fry, Bob Buvel, Aimee Hennrich, Laurie M. Hopkins

PLEDGE OF ALLEGIANCE

Council Member Sullivan led the Pledge of Allegiance.

CONSENT AGENDA

1. All Consent Items (ACTION ITEM)

A. Approval of Moscow City Council July 19, 2021 Minutes - Laurie M. Hopkins

B. Personnel Policy Updates - Jen Pfiffner

Updates to the City of Moscow Personnel Policies continue. Discipline, Grievance, Name Clearing Sections include updates to current policies and a new proposed policy. Updates to language throughout are included in the presented drafts. A new proposed Name Clearing Policy is also included for consideration. Policy sections will continue to be presented for review. As policies are approved, they will be compiled into an updated document to be implemented at one time. The timeline for completion for all policies to be updated, reviewed, and approved is estimated to be completed by September 2021. This was reviewed by Administrative Committee on July 26, 2021, and recommended for approval.

ACTION: Approve the proposed personnel policies.

C. South US95 Sewer Water Extension Bid Award - Bob Buvel

This project consists of the extension of public water and sewer mains south of the S. Fork Palouse River prior to the construction of the Idaho Transportation Dept. U.S. 95 Thorn Creek Project. The goal of the project is to install approximately 1,900 linear feet of sanitary sewer main and 950 linear feet of water main along the U.S. 95 right-of-way prior to construction of the ITD project to ensure utility services are available for expected future development in south Moscow and preventing future disruption to highway traffic and expensive surface restoration in the future once the highway project is complete.

Bids were opened on Thursday, July 8, 2021. Four bids were received, ranging from \$679,671 to \$1,285,543. Upon review, the apparent low bid from Western Construction was withdrawn by the bidder due to a mathematical error in their bid. Of the remaining responsive bids received, ML Albright & Sons, Inc was found to be the lowest responsive bid, with a bid total of \$1,208,190.40. The full bid tabulation and the non-responsive bid letter sent to Western Construction are in the

Council packet. This was reviewed by Public Works/Finance Committee on July 26, 2021, and recommended for approval.

ACTION: Accept the low bid from ML Albright & Sons, Inc., award the contract for the bid amount of \$1,208,190.40, and authorize staff approval of construction change orders in an amount not to exceed 10% of the contract amount.

Bettge moved, and Zabala seconded to approve the consent agenda as presented. Roll Call Vote: Ayes: Unanimous. Nays: None. Abstentions: None. Motion carried.

REGULAR AGENDA

2. Staff Recognition Report - Gary J. Riedner

None offered.

3. Mayors Appointments (ACTION ITEM)

Mayor Lambert proposed the following appointments: Gordon Wilson to the Sustainable Environment Commission, Scott Sumner to the Transportation Commission, and Matty Murphy to the Human Rights Commission. Taruscio moved, Laflin seconded to approve the appointments as presented. Roll Call Vote: Ayes: Unanimous. Nays: None. Abstentions: None. Motion carried.

Gordon Wilson said he has been a New St. Andrews faculty member for 18 years. He received a doctorate was environmental science and public policy. He loves for the natural world and the human world to flourish. Even though the position is non-voting, he wanted to share his voice.

Scott Sumner said he is from Moscow and attended the University of Idaho. He felt the Transportation Commission was a natural fit as a civil engineer and can provide insight from that perspective.

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

None offered.

5. PUBLIC HEARING: City of Moscow's FY2022 Annual Budget (ACTION ITEM) - Gary J. Riedner

Prior to the public hearing, staff will present the proposed City of Moscow FY2022 balanced budget in the amount of \$102,415,356, which was considered by the City Council at a workshop held July 12, 2021. Increase in property taxes from FY2021 include the following: a property tax levy of an estimated \$5.08 per \$1,000 of assessed valuation, reflecting a 3% increase, plus 90% of new construction valuation placed on the tax rolls, which is estimated at \$68,869 and 90% of annexations, which is estimated at \$4,292. Included for City Council consideration is the FY2022 Annual Appropriation Ordinance, and the L-2 property tax certification in the aggregate amount of \$7,537,647.

PROPOSED ACTIONS: Conduct the public hearing upon the FY2022 City of Moscow Annual Appropriation Ordinance and upon consideration of testimony presented:

A. Approve the ordinance under suspension of the rules requiring three complete and separate readings and that it be read by title and published by summary; or consider the Ordinance on first reading and that it be read by title; or reject the Ordinance; or take other such other action deemed appropriate.

B. Authorize the Mayor's execution of the L-2 property tax certification in the aggregate amount of \$7,537,647; or take such other action deemed appropriate.

Riedner provided an overview of the budget process and strategic planning, detailed taxes, revenues, and expenditures throughout the budget. See attached presentation.

Mayor Lambert opened the public hearing at 8:03 p.m.

Victoria Seever (Moscow) spoke regarding the public seeing the streets as safe and family-friendly and sometimes not seeing the bad things. The presence of a police dog deters criminal resistance from escalating. And in an entirely different work setting, a dog wears a second hat as a friendly educational presence. Every police officer is willing to put their life on the line. The only things they ask for are the tools to do their job. She encourages the Council to give them the dog. She also liked the extra \$4,000 to the Latah Recovery Center.

Dan Schoenberg (Moscow) suggested the Council look at the relief of funds from the stormwater fees, in turn, providing relief to citizens for fees and taxes. He suggested forgoing the fee increases for one year to lessen the over \$2 million increase of taxes. He would like the Council to review conscientiously; look at it critically and with a knowledge base.

Riedner read a letter from Marshall Comstock (Moscow). See attached letter.

Mayor Lambert closed the public hearing at 8:15 p.m. He commented the budget process starts early in the year with staff. Last year we put the breaks on everything: salary freezes, no tax increase, no sanitation fee increase, etc., but the City can't afford that every year.

Sullivan commented Moscow took the Governor's imposed tax break of \$1.5 million, which skews the \$2 million increase in the budget. Comparing 2021 to 2022 is really only an increase of \$190,000. The levy rate has gone down from 5.35 in 2020 to 5.08 in the proposed 2022 budget.

Palmer thanked Schoenberg for his letter. The FY22 budget follows the recommendations for rate adjustments in Sewer (2.25%) and Water (5%). The Water budget will not experience any sort of relief from the formation of the stormwater utility. The Sewer budget has had some minor funding that will be offset by stormwater funding. The largest portion of stormwater-related costs were within the Streets budget. Not only has the Streets budget been impacted by the same cost escalations seen in Water and Sewer, but has never been funded at an adequate level to maintain the transportation network properly. Current estimates require approximately \$1.5M in annual funding for our Pavement Management Program in order to maintain the streets in current conditions. Creating the Storm utility allows an opportunity to put transportation dollars toward transportation and have storm fund its own activities.

Laflin stated if Moscow does not comply with the permit requirements, the non-compliance fees will far exceed what is proposed here. Palmer added initial estimates came in at \$12 ESU and staff was able to reduce the fee as much as possible. Bettge agreed delaying the stormwater utility for one year gets Moscow close to non-compliance.

Zabala asked if the Smart Transit request was dependent on the proposed third route with a possible increase in the future. Taruscio responded the third route is still on the table but with the transportation world changing, exploring new transportation is more pressing. Zabala also asked about the unspecified \$3,000 in Economic Development. Riedner said it was general funding for something like a small study. Riedner explained Uof I and Moscow funding for PEP is at \$40,000. Latah County is not interested in funding PEP, and the U of I may review the following year. Discussion ensued regarding the viability of PEP.

Kelly said she had no questions about the budget. She appreciated Palmer's explanation regarding Stormwater and the support of climate issues. She also appreciated staff's work to thin the budget as much as possible. Taruscio said she felt optimistic about the donation to ATRP and LRC. Bettge pointed out approximately half the taxable real estate city is off the tax rolls and the other half has to cover that infrastructure support.

Riedner explained the Affordable Housing line item does not have a particular program, nor has it been fully funded every year. Money is appropriated to provide the flexibility for a program because affordable housing is a major challenge area in the strategic plan. Sullivan suggested splitting the funding in half and using the other half for climate change. Discussion ensued regarding the Council's commitment to climate change, making a policy statement regarding support for climate change, and how to split the amount funded. Bettge directed staff, with Council consensus, to create a new line item for climate change and move \$20,000 from the Affordable Housing to the new line item. Bettge moved to approve the Ordinance under suspension of the rules requiring three complete and separate readings and that it be read by title and published by summary. Kelly seconded.

Sullivan asked about the PEP disbursements. Riedner said the PEP Board would review funding at a meeting in the near future and PEP can certainly present a report at an upcoming Council meeting.

Taruscio said she would be abstaining from voting on the funding for PEP in the Economic Development line item. Roll Call Vote: Ayes: Unanimous. Nays: None. Abstentions: None. Motion carried.

Bettge moved to authorize the Mayor's execution of the L-2 property tax certification in the aggregate amount of \$7,537,647. Taruscio seconded. Roll Call Vote: Ayes: Unanimous. Nays: None. Abstentions: None. Motion carried.

Mayor Lambert read Ordinance 2021-10:

AN ORDINANCE ENTITLED "ANNUAL APPROPRIATION ORDINANCE" APPROPRIATING ONE HUNDRED TWO MILLION FOUR HUNDRED FIFTEEN THOUSAND THREE HUNDRED FIFTY-SIX DOLLARS (\$102,415,356) FOR THE PURPOSE OF DEFRAYING ALL NECESSARY EXPENSES AND LIABILITIES OF THE CITY OF MOSCOW, LATAH COUNTY, STATE OF IDAHO, FOR THE 2022 FISCAL YEAR BEGINNING THE FIRST DAY OF OCTOBER, 2021, AND ENDING THE THIRTIETH DAY OF SEPTEMBER, 2022, AND ALLOTING RESOURCES BY FUND FOR SAID APPROPRIATION FOR THE OBJECTS AND PURPOSES SET FORTH IN THIS ORDINANCE; LEVYING AD VALOREM TAXES IN THE AMOUNT OF SEVEN MILLION SIX HUNDRED THIRTY THOUSAND THIRTY-FIVE DOLLARS (\$7,630,035) FOR THE 2022 FISCAL YEAR; PROVIDING THAT THE PROVISIONS OF THIS ORDINANCE BE DEEMED SEVERABLE; PROVIDING FOR THIS ORDINANCE TO BE IN FULL FORCE AND EFFECT FROM AND AFTER ITS PASSAGE, APPROVAL AND PUBLICATION ACCORDING TO LAW.

Mayor Lambert called a recess at 9:07 p.m. and reconvened at 9:13 p.m.

6. PUBLIC HEARING: Sale of Current Police Station to University of Idaho (ACTION ITEM) - Gary J. Riedner

On May 21, 2019, citizens of Moscow approved the City of Moscow's proposal to issue municipal bonds to construct a new police services facility, remodel the current police facility for use as an office building, and make minor improvements to the Paul Mann Building located to the west of City Hall. On June 15, 2020, the City of Moscow purchased the Haddock Building, located at the southeast corner of Washington and Fifth Street, from Gritman Medical Park, LLC, for the price of \$875,000. The purchase of the Haddock Building includes off street parking and represents significant savings over the estimated remodel costs of the current police facility. With the purchase of the Haddock Building, City Council expressed interest in selling the existing police facility since it would no longer serve the needs of the City, and was approached by representatives of the University of Idaho.

Idaho Code Title 50, Municipal Corporations, Chapter 14, Conveyance of Property, allows a city to convey real property to another governmental entity without the requirement of holding an auction if the City Council determines it is in the city's best interest to convey the property. The University of Idaho, which qualifies as a tax supported governmental unit per the requirements of I.C. 50-1403(4), has transmitted a letter of intent to the City of Moscow, noting an interest to purchase the property.

On July 6, 2021, the City Council declared its intent to sell the property for the appraised value of \$975,000. The City Clerk published a summary of the action and notice of a public hearing to take place August 2, 2021, in the official newspaper of the City (Moscow-Pullman Daily News). Pursuant to Idaho Code 50-1403, after the public hearing has been conducted, the City Council may declare that it is in the best interests of the City to convey the property to the University of Idaho for the appraised price of \$975,000.

PROPOSED ACTIONS: After the public hearing has been conducted, declare that it is in the City's best interest to convey the current Moscow Police Station facility located at 118 E Fourth Street to the University of Idaho for the appraised value of \$975,000, and authorize such conveyance, or take such other action deemed appropriate.

Riedner presented the item as written above. See attached presentation. There is a restriction on use in the Central Business (C.B.) Zoning District for educational services. The U of I intends to use the building as a gallery and retail store which are allowed by right in the C.B. zone.

Mayor Lambert opened the public hearing at 9:26 p.m.

Victoria Seever (Moscow) said the City needed a police station, passed a bond, construction costs increased tremendously, items were removed from construction to reduce costs, the Haddock building became available and includes parking as well as less expensive. Selling the building with no expense for rehab and the Haddock building costs less money, the City makes up the million dollars and comes close to where the bond was. She supports conveying the building to the U of I.

Dan Schoenberg (Moscow) said that prior to purchasing the Haddock building, Gritman paid taxes about \$14,580. When the City bought the building, it went off the tax roles. There is an opportunity to sell it back to a taxable entity. The value of the building at \$975,000 does not put value on taxes. The question is the transfer of the property from the City to the U of I for purposes they state they will use it for, worth \$17,000 annually from the citizens of Moscow.

Delphine Keim (Moscow) heard the taxpayer perspective and understood the limited opportunities for revenue and the return of investment that arts provide. For every dollar spent on the arts, it is returned by \$5 minimally. Restaurants and places of businesses in the downtown corridor will benefit from people patronizing and spending money in their business, which balances out the tax issue.

Roger Rowley (Moscow) said he is in support of the sale of the police station to the U of I. As of August 1, the University terminated the lease with 414 S Main St. Selling the police station provides a transition for the Pritchett gallery. The new tenant at the former location will be Moscow Contemporary. When the University completes the transformation, it will increase the appeal of Moscow. More art is more art to build a better community.

Mayor Lambert closed the public hearing at 9:36 p.m.

If the building went to auction, the City could put a minimum purchase price but could end up not selling the building. Council discussed past taxes on the Haddock building and future taxes on the police station.

Laflin moved that it is in the City's best interest to convey the current Moscow Police Station facility located at 118 E Fourth Street to the University of Idaho for the appraised value of \$975,000 and authorize such conveyance. Kelly seconded. Laflin amended her motion to include directing staff to negotiate a purchase and sell agreement and bring the ordinance forward at the next available Council meeting. Kelly accepted the amendment. Roll Call Vote: Ayes: Unanimous. Nays: None. Abstentions: None. Motion carried.

7. Lot Division at 2209 Shelby Lane (ACTION ITEM) - Aimee Hennrich

The applicant, Wesley Michaels, is requesting a lot division located at 2209 Shelby Lane. The existing lot is 24,325 sf in size, and the applicant is proposing to divide the lot into two lots of approximately 12,039 sf and 12,229 sf in size. The subject property is currently vacant and is located within the Low Density, Single Family Residential Zoning District (R-1). Within the R-1 Zoning District, lots are required to be no less than 9,600 square feet in size, and each lot must have a minimum lot width of 80 feet. Flag lots are required to be at least 20 feet wide and no more than 150 feet long for the flag pole portion of the lot. The proposed lots meet all of the minimum standards for lots located within the R-1 Zone. This item was reviewed by the Public Works and Finance Committee on July 26, 2021, and recommended for approval.

PROPOSED ACTIONS: Approve the lot division request with no conditions; or approve the lot division request with conditions; or deny the lot division request; or take such other action deemed appropriate.

Hennrich introduced the item as written above. Needing no discussion, Laflin moved and Zabala seconded to approve the lot division with no conditions. Roll Call Vote: Ayes: Unanimous. Nays: None. Abstentions: None. Motion carried.

REPORTS

City Council

Planning and Zoning Commission – Sullivan said the Commission approved a rezone and annexation near Robinson Park Road.

Parks and Recreation Commission – Kelly said the Commission talked a lot about “Goldening up Moscow”: don’t water if you don’t have to. The City will be letting some of the park’s lawns go dormant but not the ones that are high use.

Sustainable Environment Commission – The climate action group is working hard, and the Commission will continue discussing climate change throughout the year.

Mayor

The Mayor said he attended the regional Cal Ripken tournament, Rendezvous in the Park, and read to the PCEI kids about bumblebees. The airport board meeting discussed the terminal.

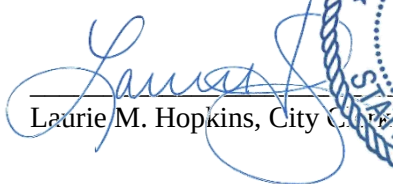
Staff

No report.

ADJOURN

It was moved, seconded and mutually agreed upon to adjourn at 9:50 p.m.

ATTEST:


Laurie M. Hopkins, City Clerk




Bill Lambert, Mayor



CITY OF MOSCOW FY2022 BUDGET

August 2, 2021

Gary J. Riedner, City Supervisor

Strategic Planning Major Challenge Areas

Established February 2022

Deteriorating
Wastewater
Collection System
Aging Storm Drain
System
NPDES Wastewater
Violations
Deteriorating
Pavement Conditions
Inadequate Radio
Infrastructure

Tier-1

Lack of Backup
Power for Drinking
Water Wells
Declining City Water
Supply
Insufficient Capacity
to Maintain Service
Demands
Climate Change
Science Highlights
Need for Significant
Action
Insufficient Revenues
Jeopardize Service
Levels

Tier-2

Inadequate
Residential and
Training at Facilities
Station 2
Service Growth
Demands are
Outpacing Resources
Lack of Affordable
Housing Creates
Economic
Disadvantages
Inadequate Annual
Facility Inspections
and Commercial Pre-
Plans
Aging Downtown
Infrastructure in the
Center of Community
Social and Cultural
Activity

Tier-3

FY22 Strategic Planning Initiatives

- Funding for the Street Maintenance Program, to address **Deteriorating Pavement Conditions**;
- Accumulating funding in Information Systems to address **Inadequate Law Enforcement Radio Infrastructure**;
- Accumulating funding and pursuing sewer system improvements to address **Deteriorating Waste Collection System**, while providing adequate resources for system operations, maintenance, and expansion;
- Funding for professional services for **Downtown Streetscape** improvements to assure that Moscow's Historic Downtown continues to be a cultural and commercial center of the community, to be matched by the Moscow Urban Renewal Agency;
- Implementation of the City's Storm Water utility, which will address the **City's Aging Storm Drain System**, and to meet the requirements of the City's MS4 permit;
- Continuing commitments to the Palouse Basin Aquifer Committee, preparation for the Palouse River Basin Adjudication and research into the potential for alternative water sources to address our region's **Declining City Water Supply**;

FY22 Strategic Planning Initiatives

- Purchase of **a replacement fire truck** to be purchased in FY2022, in conjunction with a Community Development Block Grant.
- Accumulating funding and implementing a planning process to address the City's Public Works and Parks maintenance facility, addressing two MCAs: **Inadequate Fleet Facility Reduces Efficiency and Inadequate Shop Work Space**.
- Dedication of the new Police Services facility, addressing **“Deteriorating, Substandard Police Facility”** MCA.
- Funding for Affordable Housing Participation to address **“Lack of Affordable Housing Creates Economic Disadvantage”** MCA.
- Staff is collaborating with the Sustainable Environment Commission and Climate Action Group to develop proposals for the City's Sustainability Initiative, addressing the **“Climate Change Science Highlights Need for Significant Action”** MCA.

FY2022 Budget Considerations

2020 marked the 10th year of an expanding bull market, which saw the then-highest highest stock market valuation in history. Within three weeks from that peak, the market lost almost a third of its value, due to the COVID-19 pandemic. In response, City management called for a 10% holdback of appropriated operating expenditures for the current FY2020 budget, and revised estimates for revenues were prepared for the FY2021 budget. In addition, staff compensation adjustments were suspended for FY2021.

FY2021 Budget Considerations

In preparation for a challenging year, City Council approved a budget which replaced over \$1.5 million in property taxes with the Governor's Public Safety Grant Initiative, a one-time property tax relief program. The Council took no property tax increase for FY2021.

FY2022 Budget Considerations

2021 is now the 11th year of an expanding bull market, which is witnessing the highest stock market valuation in history. The reduced revenues that were predicted in FY2021 have failed to materialize.

The proposed FY2022 Budget has been built, as always, on the City Council's Strategic Plan, and is designed to provide the most efficient use of the public funds that have been entrusted to us.

Budget Overview

- Purpose

- Fiscal Policy Manual
- Operational Guide
- Financial Plan

- Communication Device

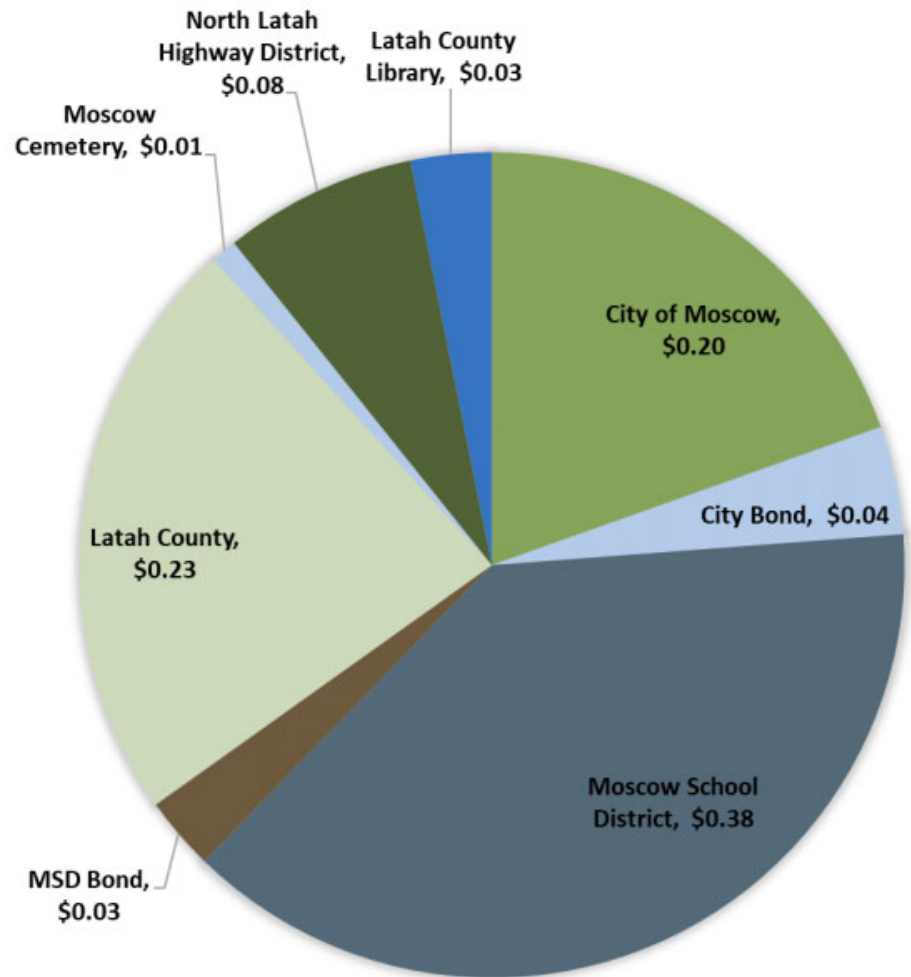
- Presented budget is balanced
 - \$102,415,356

FY2022 Proposed Tax Adjustments

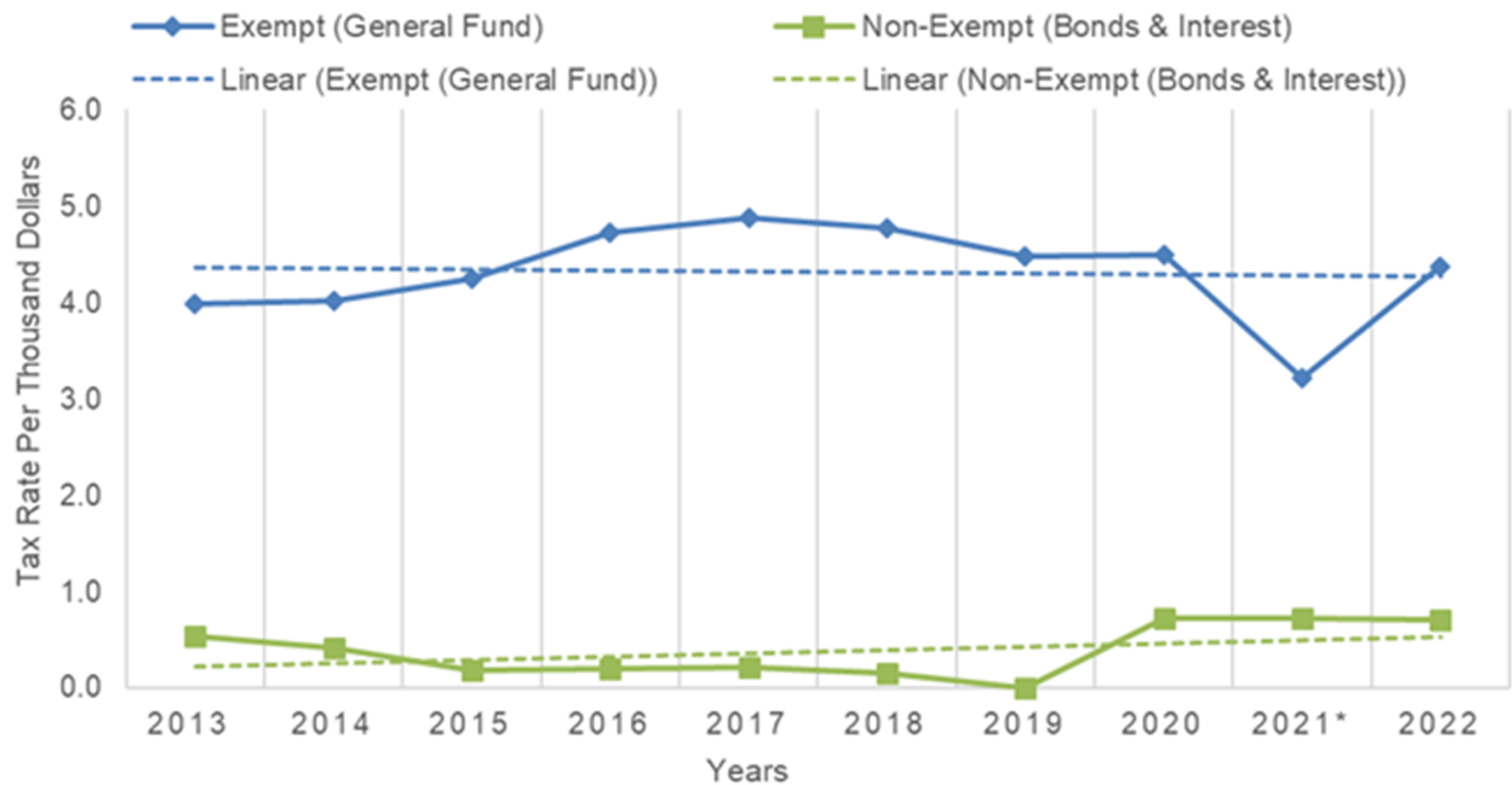
- 3% increase in property tax revenue
 - City of Moscow Levy of \$5.08 per \$1,000 of assessed valuation
- New construction valuation of \$68,869*
- Annexations valuation of \$4,292*

* Calculated at 90% of assessed value in compliance with HB389

DOLLAR OF TAXES DISTRIBUTED IN LATAH COUNTY

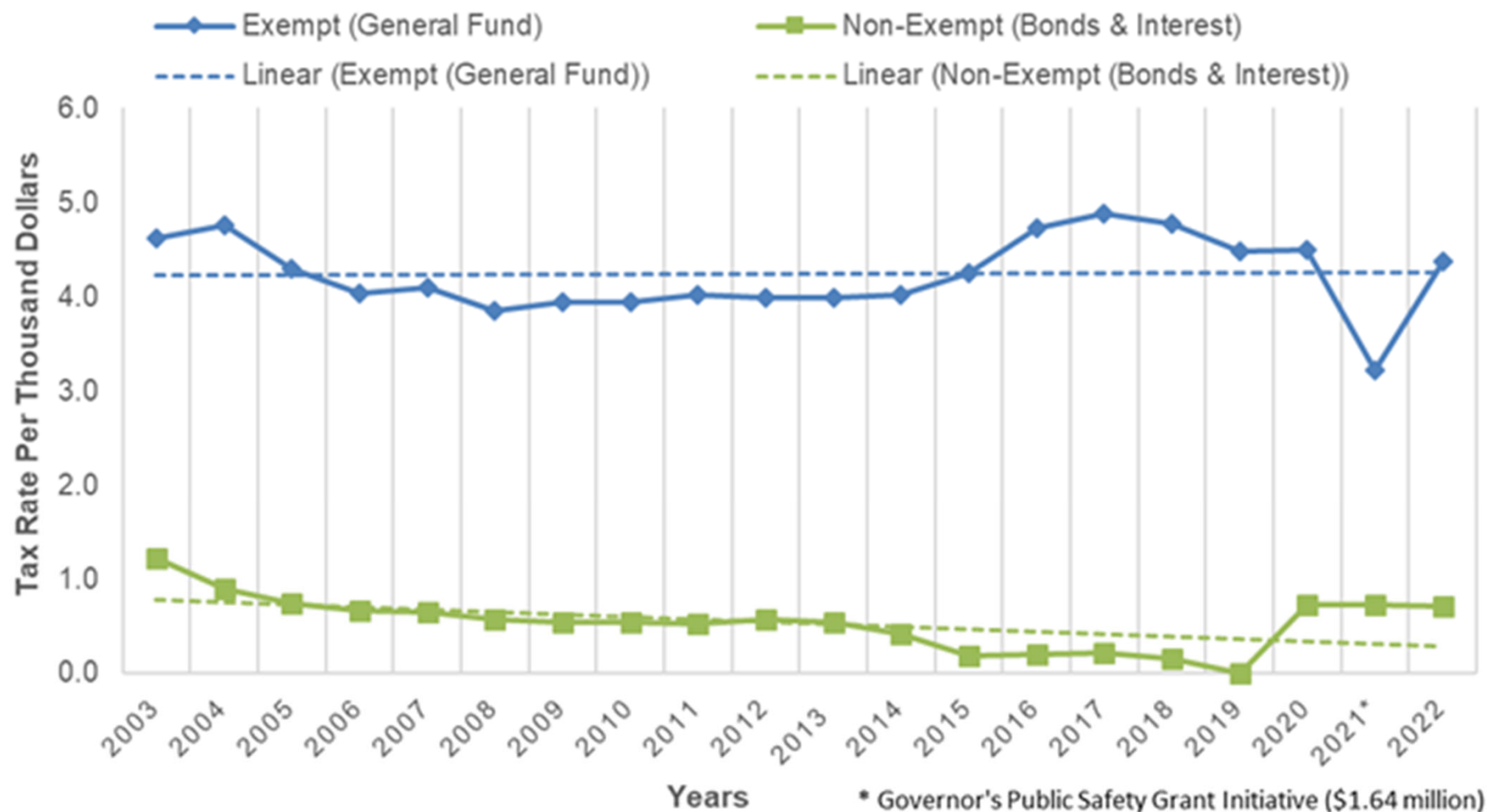


City of Moscow Property Tax 10-year Trend



* Governor's Public Safety Grant Initiative (\$1.64 million)

City of Moscow Property Tax 20-year Trend



PROPERTY TAX SUMMARY

FY2021 Adopted Compared to FY2022 Approved

City of Moscow Assessed Valuation 2020 as of March 2021

1,452,505,744

Estimated 2021 Valuation as of July 2021

1,484,570,121

	2021 ADOPTED	Levy Rate per \$1000	2022 Proposed	Levy Rate per \$1000
Base Property Taxes	6,260,470		6,320,266	
Allowable Growth Items:				
Plus Construction Roll Taxes (Est.)	59,796		68,869	
Plus Annexation	0		4,292	
Plus 3% Allowable	0		189,608	
Aq Replacement Tax	0		0	
Recovered Judgement Tax	0		0	
Recovered Homeowner's Exemption				
Funding Programs				
Foregone Amount Available for Levy (\$312,110 in 2022)	0		0	
Replacement Funding for COPs Grant	0		0	
Airport support for capital improvements	0		0	
Sub-total Non-exempt Property Taxes Collected	<u>\$6,320,266</u>		<u>\$6,583,035</u>	
Total Property Tax Replacement monies not to be levied	(90,141)		(92,388)	
Total GPSGI monies not to be levied	(1,495,356)			
Total URA Allocation not to be levied	(51,028)			
Total Non-exempt Property Taxes to be levied	<u>\$4,683,741</u>	<u>\$3.23</u>	<u>\$6,490,647</u>	<u>\$4.37</u>
Bonds & Interest – New Issue	1,046,400	\$0.72	1,047,000	\$0.71
Sub-total Exempt Property Taxes	<u>\$1,046,400</u>	<u>\$0.72</u>	<u>\$1,047,000</u>	<u>\$0.71</u>
Total City of Moscow Property Taxes	<u>\$5,730,141</u>	<u>\$3.95</u>	<u>\$7,537,647</u>	<u>\$5.08</u>

					Annual Dollar Difference
Residential Tax Calculation (based upon a \$200,000 home):					
Lot	\$50,000.00			\$50,000.00	
Home	150,000.00			150,000.00	
Total Assessed Valuation	<u>200,000.00</u>			<u>200,000.00</u>	
Less Homeowners Exemption	(\$100,000.00)			(\$100,000.00)	
Taxable Valuation	<u>\$100,000.00</u>			<u>\$100,000.00</u>	
X Nonexempt City Levy Amount	\$323.00			\$437.21	\$114.21
X Exempt City Levy Amount	\$72.00			\$70.53	(\$1.47)
Total City Tax Exempt	<u>\$395.00</u>			<u>\$507.73</u>	<u>\$112.73</u>
					Annual Dollar Difference
Residential Tax Calculation (based upon a \$300,000 home):					
Lot	\$75,000.00			\$75,000.00	
Home	225,000.00			225,000.00	
Total Assessed Valuation	<u>300,000.00</u>			<u>300,000.00</u>	
Less Homeowners Exemption	(\$100,000.00)			(\$125,000.00)	
Taxable Valuation	<u>\$200,000.00</u>			<u>\$175,000.00</u>	
X Nonexempt City Levy Amount	\$646.00			\$765.11	\$119.11
X Exempt City Levy Amount	\$144.00			\$123.42	(\$20.58)
Total City Tax Exempt	<u>\$790.00</u>			<u>\$888.53</u>	<u>\$98.53</u>

PROPERTY TAX SUMMARY

FY2022 Maxium Compared to FY2022 Approved

City of Moscow Assessed Valuation 2020 as of March 2021

1,452,505,744

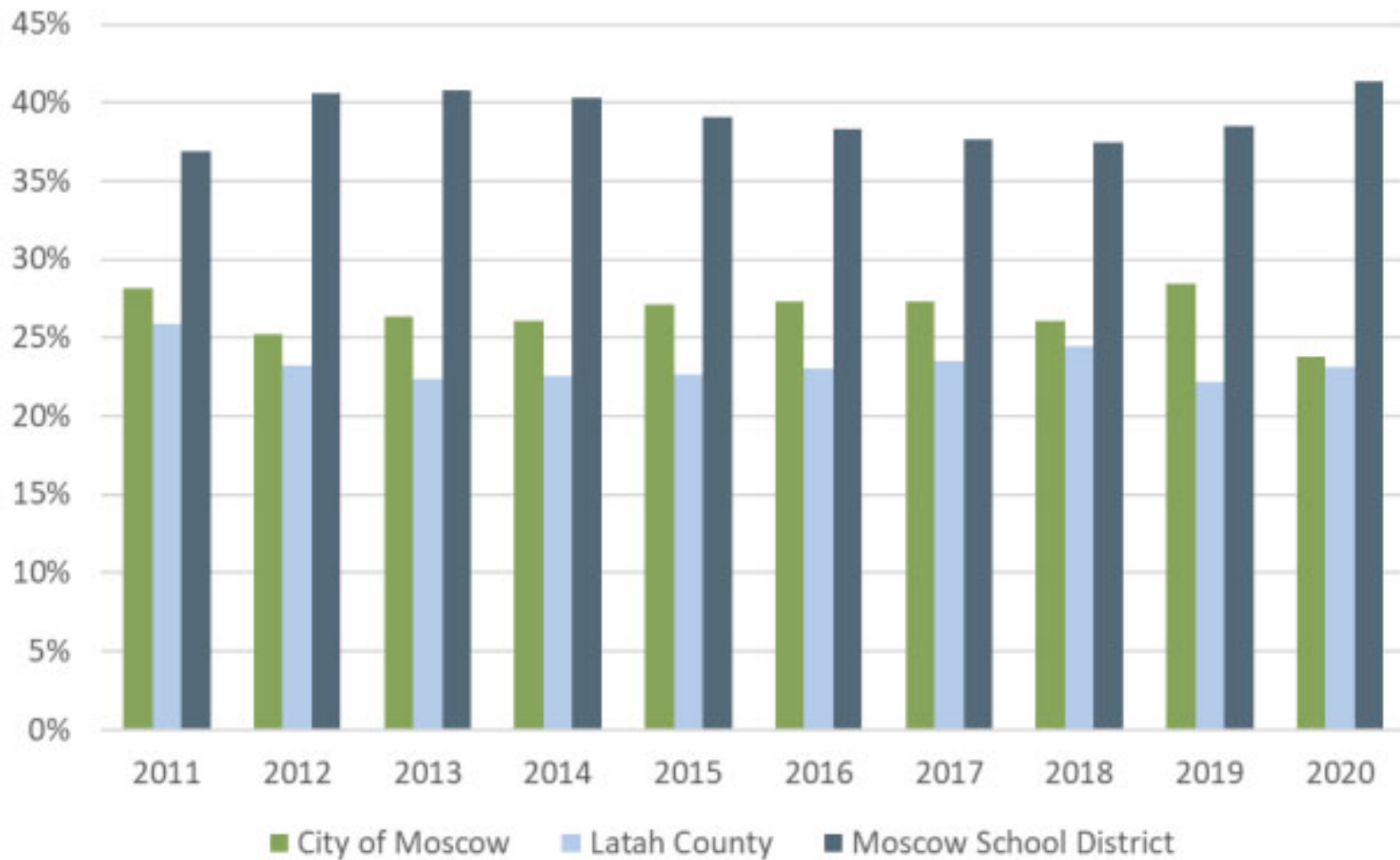
Estimated 2021 Valuation as of July 2021

1,484,570,121

	2022 MAXIMUM	Levy Rate per \$1000	2022 Proposed	per \$1000
Base Property Taxes	6,320,266		6,320,266	
Allowable Growth Items:				
Plus Construction Roll Taxes (Est.)	68,869		68,869	
Plus Annexation	4,292		4,292	
Plus 3% Allowable	189,608		189,608	
Aq Replacement Tax	0		0	
Recovered Homeowner's Exemption	0		0	
Funding Programs				
Foregone Amount Available for Levy	312,110		0	
Sub-total Non-exempt Property Taxes Collected	<u>\$6,895,145</u>		<u>\$6,583,035</u>	
Total Property Tax Replacement monies not to be levied	(92,388)		(92,388)	
Total Non-exempt Property Taxes to be levied	<u>\$6,802,757</u>	<u>\$4.68</u>	<u>\$6,490,647</u>	<u>\$4.37</u>
Bonds & Interest – New Issue	1,047,000	<u>\$0.72</u>	1,047,000	\$0.71
Subtotal Exempt Property Taxes	<u>\$1,047,000</u>	<u>\$0.72</u>	<u>\$1,047,000</u>	<u>\$0.71</u>
Total City of Moscow Property Taxes	<u>\$7,849,757</u>	<u>\$5.40</u>	<u>\$7,537,647</u>	<u>\$5.08</u>

					Dollar
					Difference
Residential Tax Calculation(based upon a \$200,000 home):					
Lot	\$50,000.00		\$50,000.00		
Home	150,000.00		150,000.00		
Total Assessed Valuation	<u>200,000.00</u>		<u>200,000.00</u>		
Less Homeowners Exemption	(\$100,000.00)		(\$100,000.00)		
Taxable Valuation	<u>\$100,000.00</u>		<u>\$100,000.00</u>		
X Nonexempt City Levy Amount	\$468.35		\$437.21		(\$31.14)
X Exempt City Levy Amount	\$72.08		\$70.53		(\$1.56)
Total City Tax Exempt	<u>\$540.43</u>		<u>\$507.73</u>		(\$32.70)
					Annual Dollar
					Difference
Residential Tax Calculation (based upon a \$300,000 home):					
Lot	\$75,000.00		\$75,000.00		
Home	225,000.00		225,000.00		
Total Assessed Valuation	<u>300,000.00</u>		<u>300,000.00</u>		
Less Homeowners Exemption	(\$125,000.00)		(\$125,000.00)		
Taxable Valuation	<u>\$175,000.00</u>		<u>\$175,000.00</u>		
X Nonexempt City Levy Amount	\$819.61		\$765.11		(\$54.49)
X Exempt City Levy Amount	\$126.14		\$123.42		(\$2.72)
Total City Tax Exempt	<u>\$945.75</u>		<u>\$888.53</u>		(\$57.22)

PERCENT OF DOLLAR OF TAXES FOR LARGEST TAXING ENTITIES



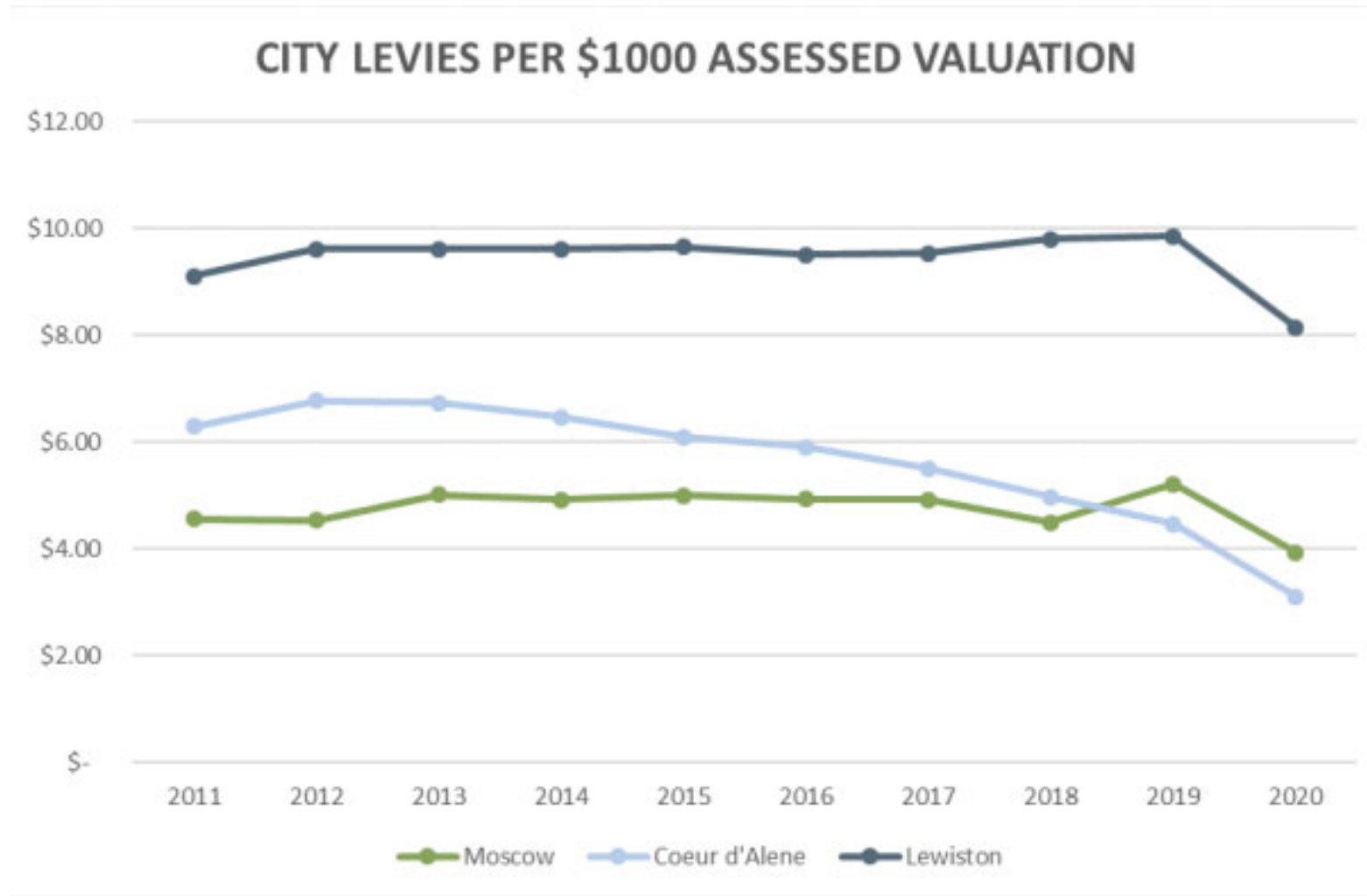
Regional Idaho Cities Comparison

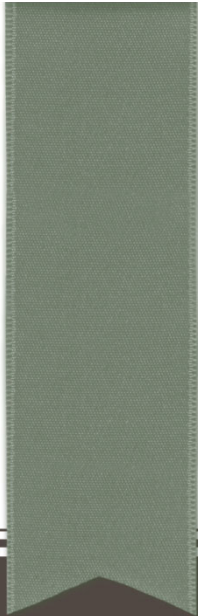
MOSCOW	
City	24¢
School District	41¢
County	23¢
Moscow Cemetery	1¢
North Latah HD	8¢
Latah Library	3¢
Total:	\$1.00

COEUR D'ALENE	
City	30¢
School District	17¢
County	22¢
N. Idaho College	7¢
Eastside HD	5¢
Lakes HD	5¢
Post Falls HD	4¢
Worley HD	10¢
Kootenai Amb.	1¢
Total:	\$1.00

LEWISTON	
City	40¢
School District	31¢
County	24¢
Orchard Sewer	4¢
Port	1¢
Total:	\$1.00

Regional Idaho Cities Comparison





REVENUES

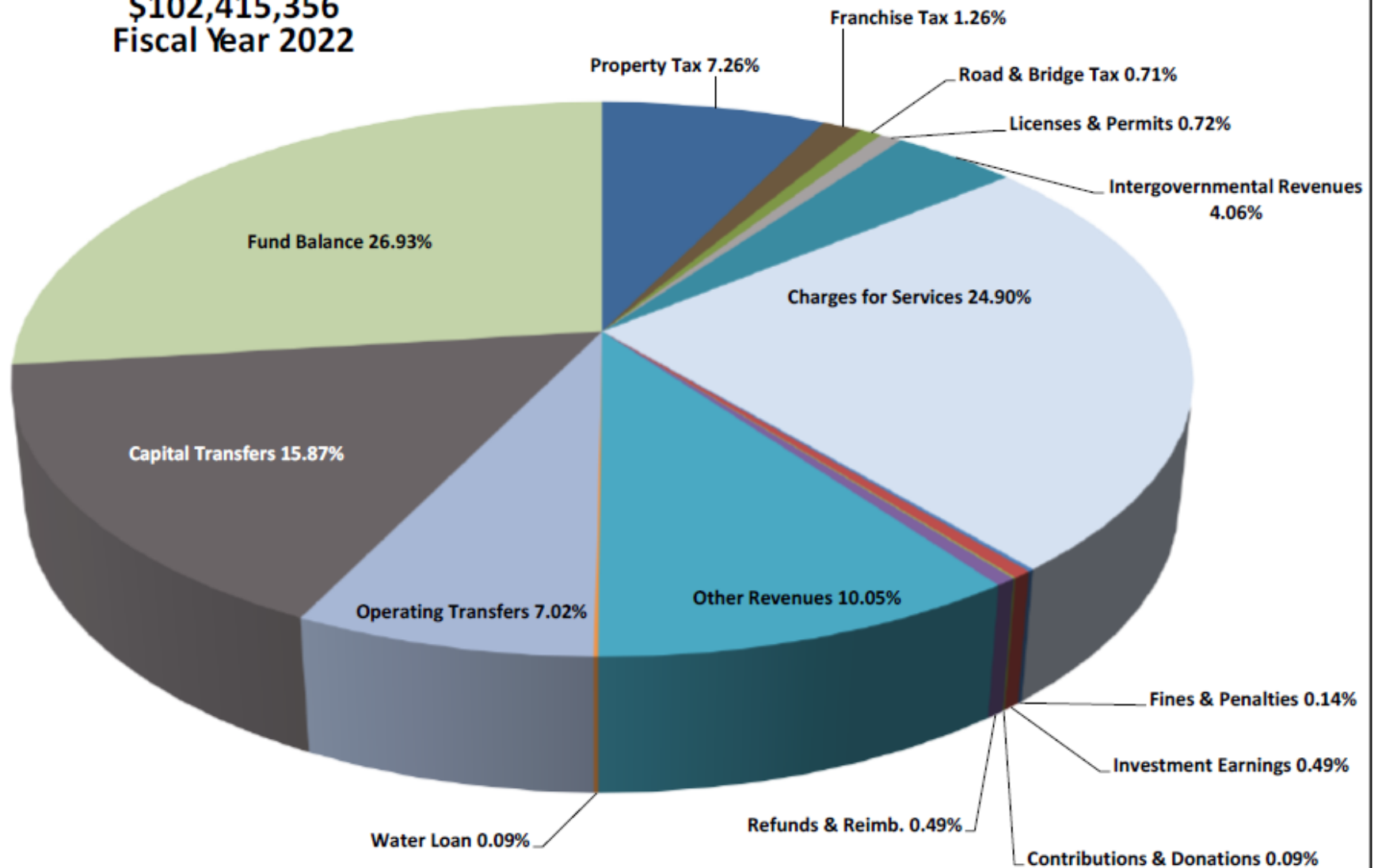


FY2022 Budget Considerations

The State of Idaho has issued its estimates of FY2022 revenues, including state shared revenues, which includes sales tax and liquor tax, which numbers are stable or increasing. The GPSGI program has terminated, and property taxes return to pre-COVID-19 levels. A property tax increase in the amount of 3% is proposed in the FY2022 budget.

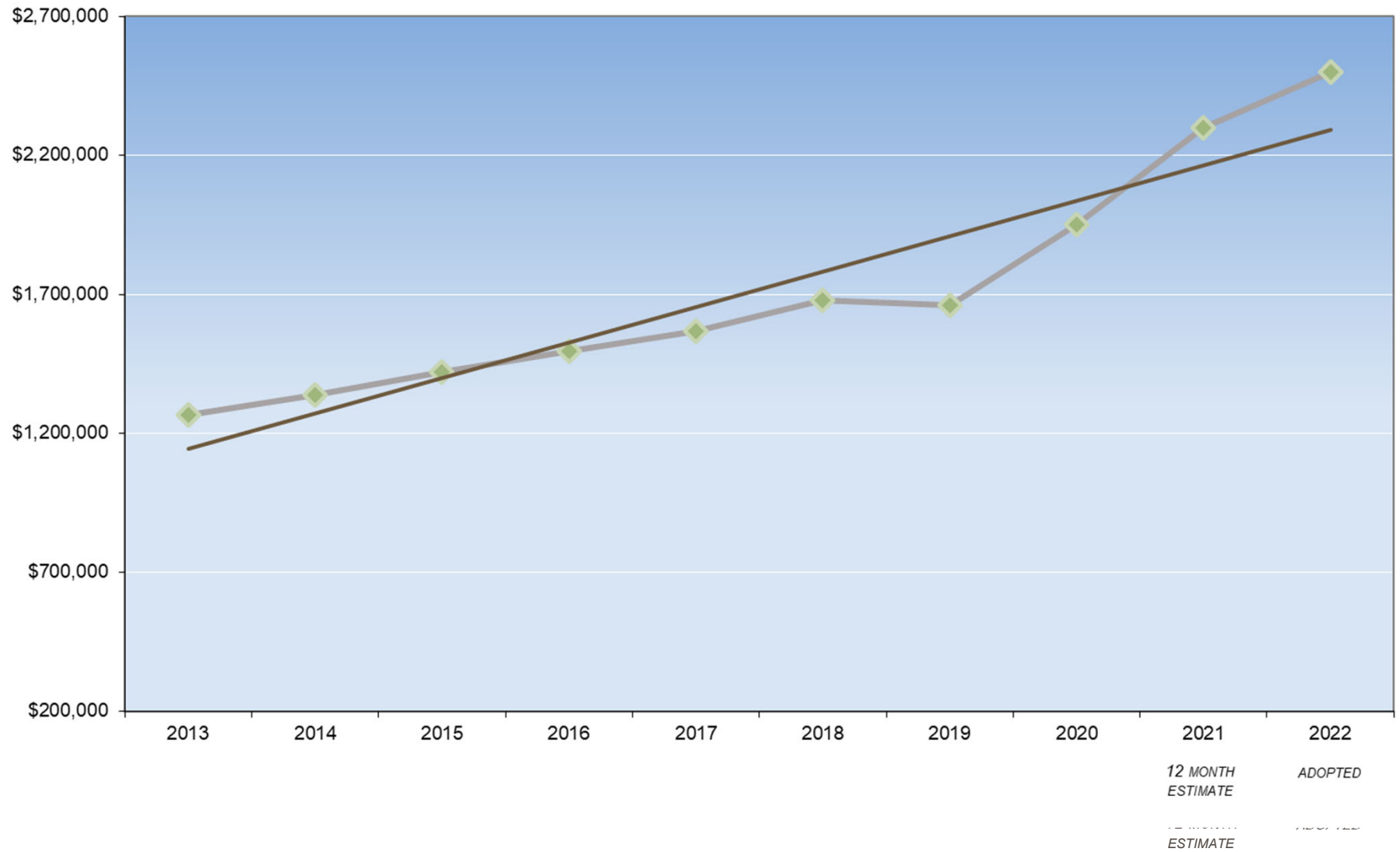
Revenue Summary Graph

Where the Money Comes From
Revenue by Source
\$102,415,356
Fiscal Year 2022

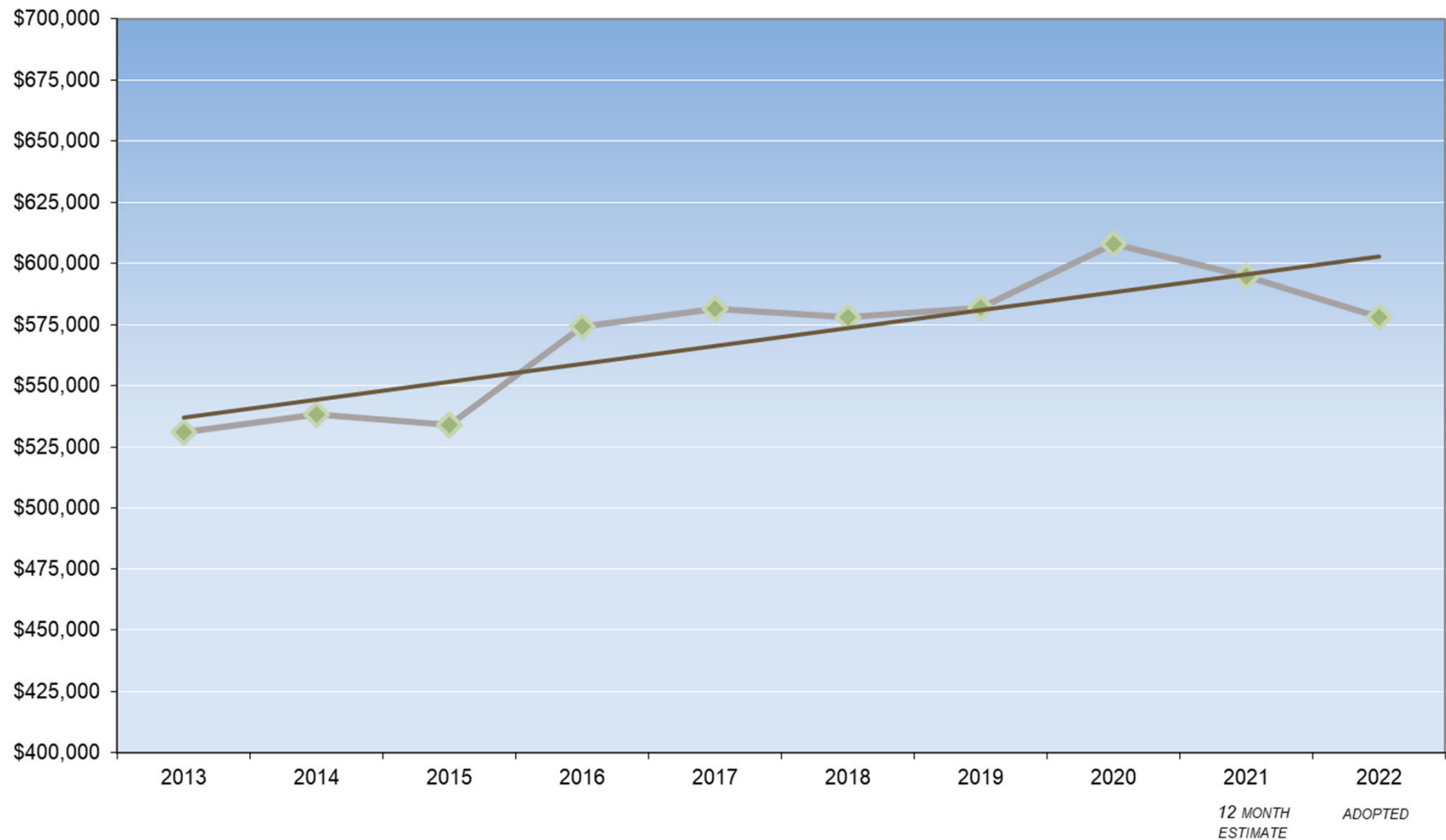


General Fund

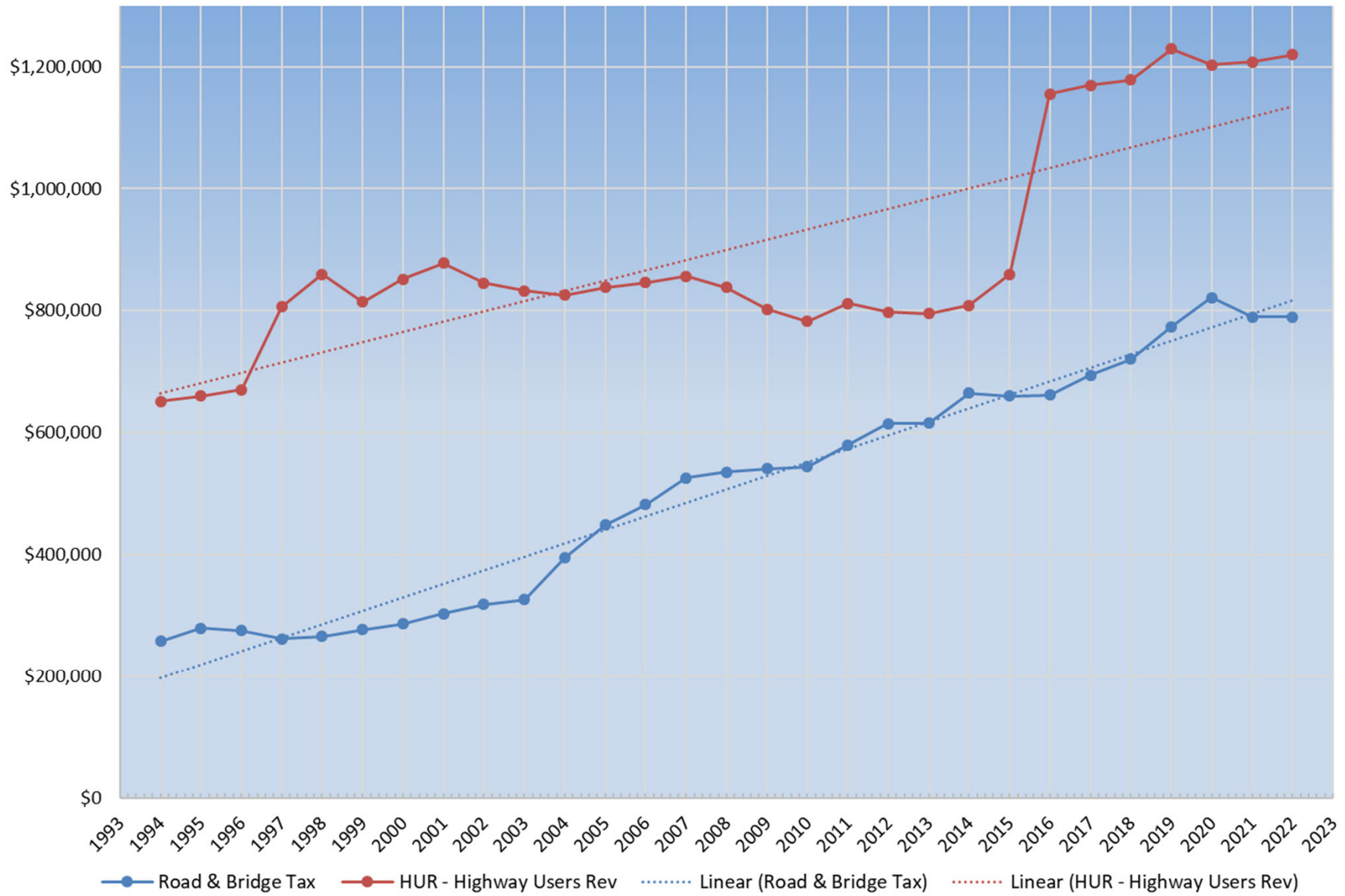
State Shared Revenue



General Fund
State Liquor Apportionment

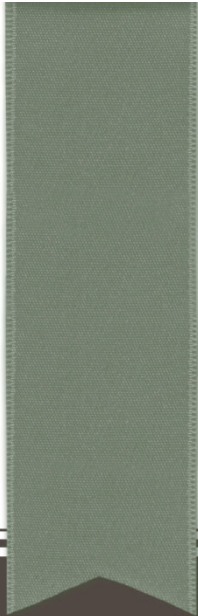


Road & Bridge and Highway Users Revenues



Enterprise Funds

- Water Fund – 5% increase per the 2020 Rate Study adopted by City Council
- Sewer Fund – 2.25% increase per the 2020 Rate Study adopted by City Council
- Sanitation Fund – No increase in FY2022 collection fees for city residents
- Stormwater Fund - \$7.92 per Equivalent Service Unit

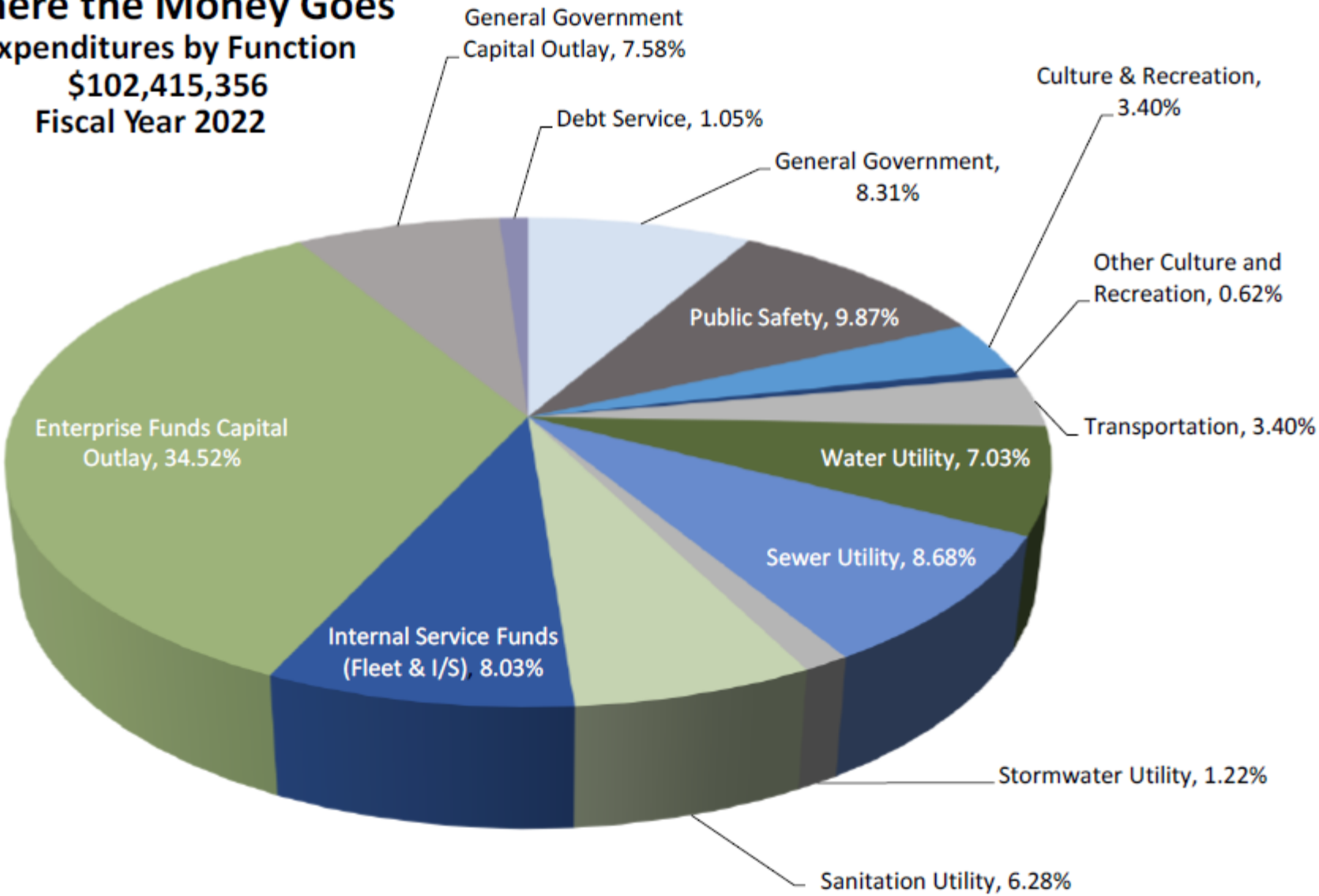


NOTABLE EXPENDITURES



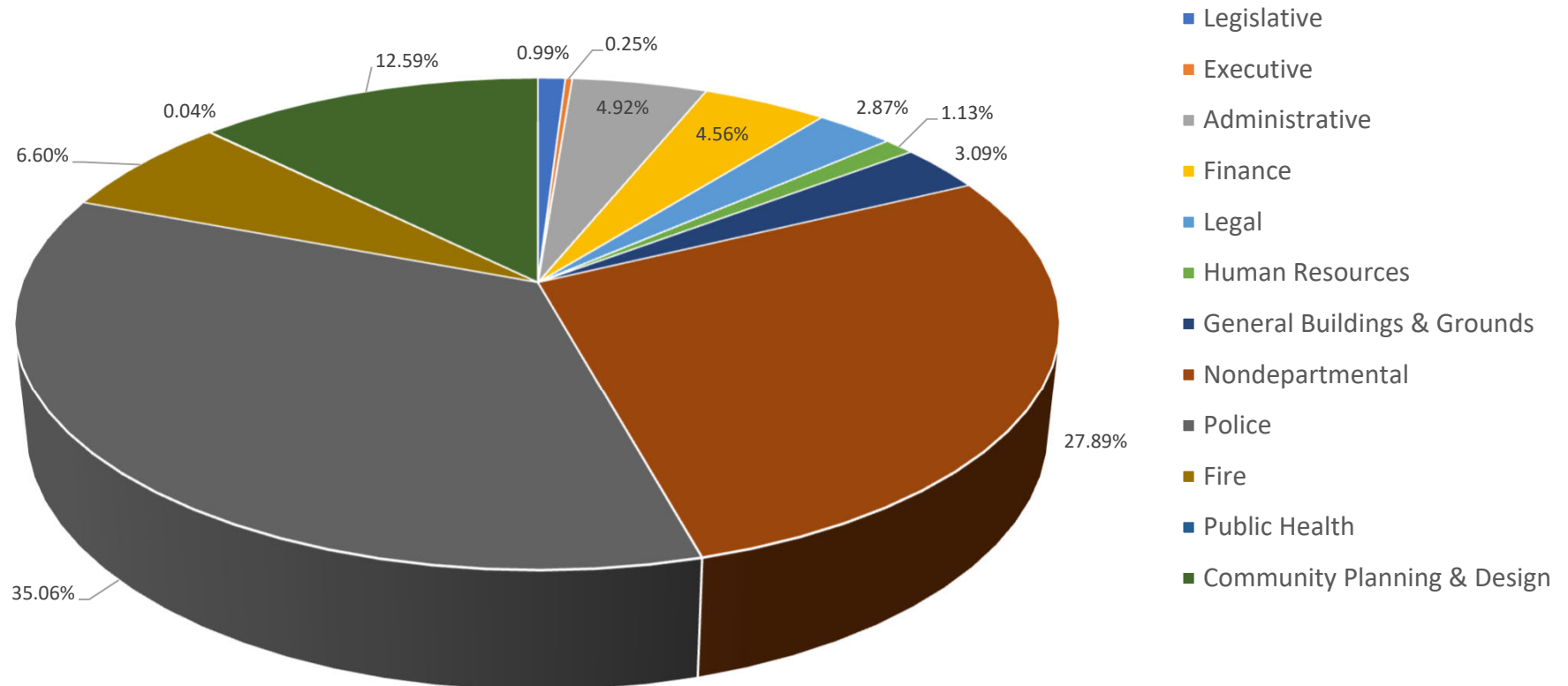
Expenditure Summary Graph

Where the Money Goes
Expenditures by Function
\$102,415,356
Fiscal Year 2022



General Fund Expenditures by Department

**General Fund
Expenditures by Department
\$18,625,348
Fiscal Year 2022**



Notable Personnel Changes

- Administration
- Legal
- Police
- Engineering Division
- Parks & Facilities Division
- Recreation Division
- Stormwater Utility

Proposed Personnel Salaries, Benefits, & Programs

- Cost of Living Adjustment 3%
- Performance Increase
 - AMPS 4% avg. below market/1% avg. market or above
 - Police Officer, Corporal, and Sergeant per salary step and grade
- New Employee Health Benefits Program
- Wellness Program
- Employee Recognition
 - Employee picnic
 - Holiday celebration
 - Retirement recognition
 - Years of service awards

Police Program Proposals

- Drug Detection Dog proposed to be trained to detect heroin, methamphetamine, and fentanyl
 - Includes purchase of dog, training for handler, initial set-up costs and the ongoing costs of maintaining a drug detection dog. (\$31,500)
- Support for Services provided by ATVP and LRC
 - \$4,000 each
- Information Systems Requests
 - Digital Storage Systems for video and forensics (\$75,000)
 - Drone proposal (\$12,000)

Non-Departmental

- Professional Services to fund one-half of Downtown Streetscape Design Project with Moscow Urban Renewal Agency (\$63,000)
- Public Transportation support for SMART Transit (\$127,000)
- Economic Development support for Partnership for Economic Prosperity, Clearwater Economic Development Association, Moscow Chamber of Commerce, and Palouse Knowledge Corridor (\$67,767)

Non-Departmental

- Pullman-Moscow Regional Airport Capital Improvements (\$290,750), and Operational Support (\$32,000)
- Youth Scholarships for Pool (\$7,200) and Other Recreational Programs (\$10,800) for a total of \$18,000
- Affordable Housing Participation (\$50,000)

Non-Departmental

Transfers:

- 1912 Fund (\$139,224)
- Capital Projects for support of the Capital Improvement Plan (\$630,922)
- Recreation & Culture Fund (\$2,650,436)
- Street Fund (\$144,000)
- Fleet Services (\$487,000)
- Information Systems (\$327,250)

Streets Fund

- General Fund Transfer to Streets Fund
\$144,000 proposed in FY2022.
- After an predicted reduction in revenues due to the COVID-19 decreased travel and resulting reduced Highway User Fee revenues, FY2022 is expected to return to pre-COVID-19 revenue levels, but revenue budget is conservative, resulting in a lower transfer to capital.

Recreation & Culture Fund

- Increase from \$2,539,180 in FY2021 to \$2,650,436 proposed in FY2022
- This is due to several factors, including:
 - Implementation of restructuring of the Recreation and Culture Fund including the separation of the Arts, and Community Events Departments;
 - Proportionate funding of the Deputy City Supervisor for RCES from the General Fund to the Recreation & Culture Fund;
 - Reorganization of management structure of the Parks & Facilities and Recreation divisions to create manager positions and eliminate the Parks and Recreation Director position;
 - Funding for two new full-time Parks Maintenance positions, funded largely with reductions in seasonal part-time savings;
 - Implementation of a standardized part-time and seasonal employee compensation program to provide consistency and market competitiveness.

Fleet Services Fund

- Transfer in from General Fund to fund vehicles used by the General Fund, including police and fire emergency vehicles and fire engines, per established obsolescence plans. Includes a replacement Community Planning and Design inspection vehicle with a crossover/hybrid, in accordance with sustainability program (\$487,000)
- Transfer in from Water Fund (\$85,000)
- Transfer in from Sewer Fund (\$75,000)
- Transfer in from Streets Fund (\$132,000)
- Transfer in from Stormwater Fund for start-up purchase of a pickup for Stormwater Supervisor and one-half of the purchase price of a storm sewer jet truck. (\$260,076)

Capital Projects Fund

- Transfer from \$474,077 in FY2021 to \$630,922 proposed in FY2022.
- This increase is the funding to continue implementing the Capital Improvement Plan approved by City Council as a component of the City's Strategic Plan.

CITY OF MOSCOW

Capital Improvement Plan 2021-2030



Bill Lambert
Mayor

Gary J. Riedner
City Supervisor

Brandy Sullivan
Council President

Maureen Laflin
Council Member

Art Bettge
Council Vice-President

Gina Taruscio
Council Member

Sandra Kelly
Council Member

Anne Zabala
Council Member



Information Systems

- Increase from \$169,100 in FY2021 to \$327,250 proposed in FY2022.
- This increase will fund an outdoor agenda display, Council Chambers broadcast updates and adds accumulation to Emergency Services Radio system replacement, per Inadequate Law Enforcement Radio Infrastructure MCA.
- Initiate Phase 1 VHF Radio Update and Replacement in FY2022 (\$1,181,667)

Capital Projects – General Fund

- General Obligation Bond Measure which generated \$9.64 Million
 - Construction of the new Police Services Facility, remodel of current 114 E. 4th Street Police facility converting the building to general office use and Repair and restoration of the Mann Building masonry exterior
 - Acquisition and remodeling of the Haddock Building
 - During FY2020, the City entered into an agreement to purchase the Haddock Building from Gritman Medical Park LLC for \$875,000 to house the Community Planning and Design Group that was originally planned to be relocated to the current Police facility on Fourth Street,
 - The Haddock Building purchase and limited remodel was found to be a more cost effective alternative than the renovation of the 114 E. 4th Street building.
 - The purchase of the Haddock Building also provides the opportunity to sell the Fourth Street property to help offset the acquisition and renovation costs. City Council will hold a public hearing on August 2, 2021 to consider selling the property to the University of Idaho for the appraised price of \$975,000
 - Construction of the Police Services facility began in FY2020 and will be completed in fall of 2021.

Capital Projects – General Fund

Facility Cost Estimates	Original Estimate During Bond Election	Current Actual	Variance
Police Services Facility	\$7,887,207	\$ 8,913,030	\$ (1,025,823.05)
Fourth Street Renovation	\$1,500,458	\$ 1,492,670	\$ 7,788.38
Mann Building Renovation	\$132,043	\$ 203,000	\$ (70,957.04)
TOTAL CITY FACILITIES PROJECT COST	\$9,519,708	\$ 10,608,700	\$ (1,088,991.71)
Police Station Sale Proceeds		\$ (975,000)	
total Net Project Costs		\$ 9,633,700	
Bond Proceeds		\$ 9,554,000	
Variance		\$ (79,700)	

Capital Projects - Streets

- Major multi-year Street Fund related projects, including projects to be funded with grants and City matching funds are accounted for in this fund.
- Transfer in from Street Fund to the Streets Roadway Improvement Program (\$525,000)
- Significant roadway improvement projects scheduled for FY2022 include:
 - Sixth Street Bridge Project,
 - Mt. View Road Improvements, 6th & Mt. View Roundabout

Capital Projects - Parks

- In FY2017, Council approved the use of Hamilton Funds for playground equipment and development of accessible pathways. For FY2022, Hamilton Funds will be used to construct playground equipment and pathways at Milton Arthur Park (\$195,70), and replacement of safety surface at East City Park playground. (\$90,743)
- Other Parks Projects proposed for FY2022 include:
 - City's obligation for Third Street Construction for Moser Park frontage. (\$318,270)
 - Completion of replacement of the large play structure at the Hamilton Lowe Aquatics Center. (\$25,000)
 - Replacement of funbrellas (\$47,741) and relocation of fence at HLAC (\$31,827)

Storm Water Fund

- United State Environmental Protection Agency (EPA) has issued the City a MS4 Permit regulating the City's discharge of storm water to Paradise Creek and the South Fork of the Palouse River.
- The permit requires the City to regulate both the quality and quantity of storm water discharged to the streams.
- In order to fund the capital improvements and operations required to meet the limitations of the permit, the City Council authorized staff to develop a storm water utility.
- Due to numerous factors, including the COVID-19 pandemic, City Council chose to delay the formation of the storm water utility for one year, therefore the utility is not included within the FY2021 budget, and is now being implemented in FY2022.
- City Council approved the implementation of the Stormwater Utility on February 1, 2021, and approved the proposed rate of \$7.92 per month for each Equivalent Service Unit on June 7, 2021.

Water and Water Capital Fund

- The FY2022 budget reflects a 5% rate increase for residential and commercial users in accordance with the draft recommendations of the 2020 Rate Study.
- Debt Service:
 - \$4.3M in Idaho Department of Environmental Quality (IDEQ) Revolving Loan Fund (RLF) debt that was incurred to complete Phase I of the water system improvements to address supply and fire flow deficiencies.
 - The City has been approved for an additional \$4.3 Million in RLF funding for Phase II of the system. Reimbursements to be received in FY22022

Sewer and Sewer Capital

- 2.25% rate increase recommended by the 2020 Rate Study, after no increase in rates during FY2021 due to the adverse economic impact of the COVID-19 pandemic
- The FY2022 Sewer Fund budget includes a transfer to the Sewer Capital fund in the amount of \$2,126,728 in support of capital improvements identified in the Capital Improvement Plan

QUESTIONS?

Thank you!



Marshall H Comstock
932 North Mountain View Road
Moscow, Idaho 83843

July 30, 2021

Dear Mayor Lambert and Moscow City Council members.

As I am unable to attend the budget hearing in person, I would appreciate these comments be included in the record.

I disagree with the decision to implement a residential storm water utility. As it is an enterprise fund, there should be a direct benefit to the rate payers. I see little or no benefit to the City of Moscow. The other enterprise funds including water, sewer, and sanitation have a direct benefit.

Moscow is a farming community; the city has no jurisdiction over the outlying areas adjacent to the city other than zoning. In the outlying area and our city, our drainage system is composed of Paradise Creek and the South Fork of the Palouse River. Land is farmed right up to the banks of the streams. There is little control of silt sedimentation and chemicals. Once the drainage leaves the city and the state, Washington farmers use the same farming practices. In other words, the small amount of control that the city of Moscow implements with storm water utility actions, has very little effect on the overall goal at a hefty price.

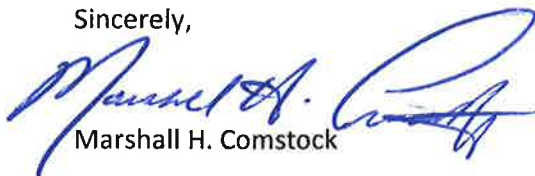
The 2022 budget includes maximum allowable increase in property taxes of 3%. Moscow is growing, the city has seen substantial growth in 2021, and is expecting record growth in 2022. This growth produces more tax dollars for the city. With the new tax dollars, is it really necessary to take the 3% increase?

I was a proponent for the budget levy for the new police station. There was a finite amount of money included in the bond for new construction of the police station, for remodeling of the old police station, and the Mann Building. The city has made the decision to sell the old police station to the University of Idaho for around \$1,000,000. As the building is not being remodeled by the city, there should be money freed up for the other remodeling projects. The revenue from the sale should pay down the bond and therefore reduce property taxes for Moscow property owners. The overruns in the police building budget should have been made affordable by reducing many of the bells and whistles included in the plan.

To raise the property taxes, implement a new enterprise fund, and to continue to pay on the bond in one budget year seems excessive. Also, with these increases in taxes and fees it goes against the goal of helping with affordable housing in Moscow.

Thank you for your consideration,

Sincerely,



Marshall H. Comstock

208-310-9739

RECEIVED

JUL 30 2021

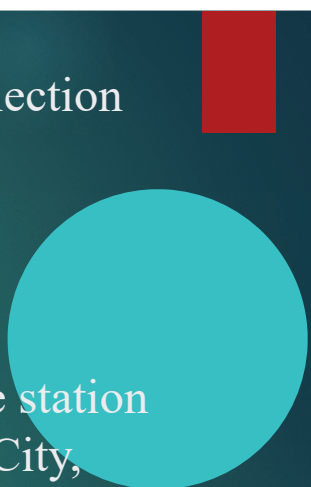
CITY OF MOSCOW
CITY CLERK



Proposal to Sell the Current MPD Facility Located at 118 E. 4th Street to the University of Idaho

August 2, 2021

Gary J. Riedner, City Supervisor



Successful City General Facilities Bond Election May 19, 2019

Bond proceeds to be used for purposes of acquisition, construction, remodeling, improvement or otherwise, of a new police station and other public buildings throughout the City, together with all necessary appurtenant facilities and equipment, including all necessary land therefor...

Original Projects

- ▶ New Police Facility – located at 155 Southview Avenue
Construction to be completed in September
- ▶ Repurpose/Remodel of Current Police Facility located at 118 E. 4th Street for purposes of relocation of the Community Development, Engineering and Grants offices
- ▶ Minor repairs to Mann Building to house Human Resources, Information Systems and Community Events and provide secure storage of permanent records



Current Police Facility

118 E. 4th Street

- ▶ Originally constructed for business/industrial use
- ▶ Approximately 9,000 square feet in size
- ▶ Extensively remodeled for use as police station
- ▶ No off-street parking
- ▶ Will require extensive remodeling for return to use as general office building (estimated at \$1,500,458 in 2019)
- ▶ Limited ADA access
- ▶ Minimal natural light
- ▶ Located inside Main Street/Downtown commercial district

Current Police Facility

118 E. 4th Street

- ▶ 2019 Estimated Cost of Repurpose/Remodel:
\$1,500,458
- ▶ Bond Proceeds Available:
\$ 661,678
- ▶ Balance from Gen. Fund Capital Accumulation:
\$ 838,780

Haddock Building 504 S. Washington

Purchased June 15, 2020

- ▶ Constructed: 1985 for use as an office building
- ▶ 7,500 square feet office space
- ▶ 1,400 square feet storage space
- ▶ 15 off-street parking spaces
- ▶ Convenient access for customers and public
- ▶ Less extensive renovations
- ▶ Increased natural light
- ▶ Close proximity, but outside Main Street/Downtown commercial district

Haddock Building 504 S. Washington

Southeast View



Haddock Building 504 S. Washington

► Purchase price:

\$ 848,450

► Estimated Remodel Costs:

\$ 644,220

► Total Estimated Cost

\$1,492,670

Additional Considerations Considered by City Council

- City Council could elect to sell the current 118 S. 4th Street facility, return the property to a non-governmental use, and use the proceeds of the sale to help offset the increased costs of construction of the new police facility, and renovation of the Haddock Building.
- Commercial Appraisal conducted by Gem Valley Appraisals in March 2021, resulting in a appraised value of \$975,000

Recap of Funding/Expenses

Facility Cost Estimates	Original Estimate During Bond Election	Current Actual	Variance
Police Services Facility	\$7,887,207	\$ 8,913,030	\$ (1,025,823.05)
Fourth Street Renovation	\$1,500,458	\$ 1,492,670	\$ 7,788.38
Mann Building Renovation	\$132,043	\$ 203,000	\$ (70,957.04)
TOTAL CITY FACILITIES PROJECT COST	\$9,519,708	\$ 10,608,700	\$ (1,088,991.71)
Police Station Sale Proceeds		\$ (975,000)	
total Net Project Costs		\$ 9,633,700	
Bond Proceeds		\$ 9,554,000	
Variance		\$ (79,700)	

UI Letter of Intent


University of Idaho

May 21, 2021

Letter of Intent to Purchase
 RE: 118 E 4th St, Moscow ID 83843

This letter will serve as a non-binding Letter of Intent which sets the basic terms and conditions under which the City of Moscow, the owner as prospective SELLER, would consider entering into a purchase and sale agreement with the BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, as prospective BUYER, for the above referenced location.

BUYER is willing to proceed with negotiation of a purchase and sale agreement based on the following business terms and conditions. The parties agree that BUYER'S purchase and sale agreement template shall be utilized and modified as agreed upon by the parties.

Seller: City of Moscow
 221 E 2nd St
 Moscow ID 83843

Buyer: Board of Regents of the University of Idaho
 Vice President for Finance and Administration
 875 Perimeter Dr MS 3168
 Moscow ID 83844-3168

Site: 118 E 4th St, Moscow ID 83843 (Assessor's Parcel #RPM0001003005AA)

Price: \$975,000

Financing: Cash at closing.

Contingencies: Contingencies established in purchase and sale agreement shall be limited to reasonable buyer due diligence and subject to established policies for approval by Board of Regents.



Process to Sell Property



- ▶ Idaho Code Title 50, Municipal Corporations, Chapter 14, Conveyance of Property
- ▶ City must declare its intent to sell or exchange the property, state the value or minimum price for the property, or an explanation of the intended exchange for other than monetary consideration (July 6, 2021)
- ▶ After meeting these requirements in a public meeting, the City Clerk shall publish a summary of the action in the official newspaper of the City, and provide notice of a public hearing to take place no earlier than fourteen (14) days prior the date of the public hearing (Completed)

Process to Sell Property



- ▶ Public Hearing must be conducted
- ▶ After the Public Hearing, the Council may declare that it is in the best interests of the City to convey the property to the University of Idaho for the price of \$975,000
- ▶ If City Council makes such determination, staff will prepare a purchase and sale agreement, and an ordinance authorizing the conveyance of the property to the UI, to be brought forward at a future City Council meeting

Questions?

