



Limited Income Assistance Program

Resolution 2025-09 Adopting policy and criteria for utility billing assistance

Meeting Date	Staff Contact	Email
May 13, 2025	Adam Hanks, City Administrator Sammy Egbert, City Recorder	Adam.Hanks@CoburgOregon.gov Sammy.egbert@CoburgOregon.gov

SUMMARY AND REQUESTED COUNCIL ACTION

Consider adoption of a draft resolution establishing criteria, policies and levels of assistance (reduction in bill total) for the City's Limited Income Assistance Program, a program originally established and authorized by Ordinance A-224-A (Water Utility Ordinance) and authorized by reference in related ordinances for Wastewater, Transportation Utility Fee (TUF)

Suggested Motion

I move to approve Resolution 2025-09, a resolution adopting the policy, criteria and assistance levels for the City of Coburg Limited Income Assistance Program.

BACKGROUND

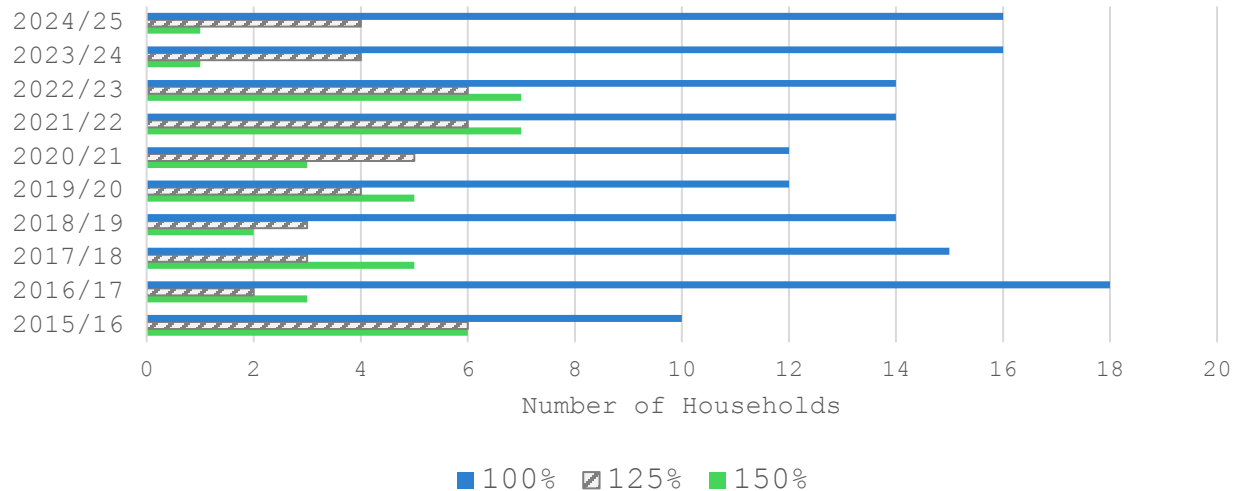
The City has offered a voluntary limited income assistance (LIA) program to income-qualifying utility customers since the adoption of the Water Utility Ordinance in 2012, with the addition of Wastewater in 2014 and the TUF in 2021. The Tree Fee Ordinance contains a separate definition and process for financial hardship that differs in criteria and implementation that staff intends to update to reference this proposed "system-wide" resolution in the near future.

Ordinance A-224-A

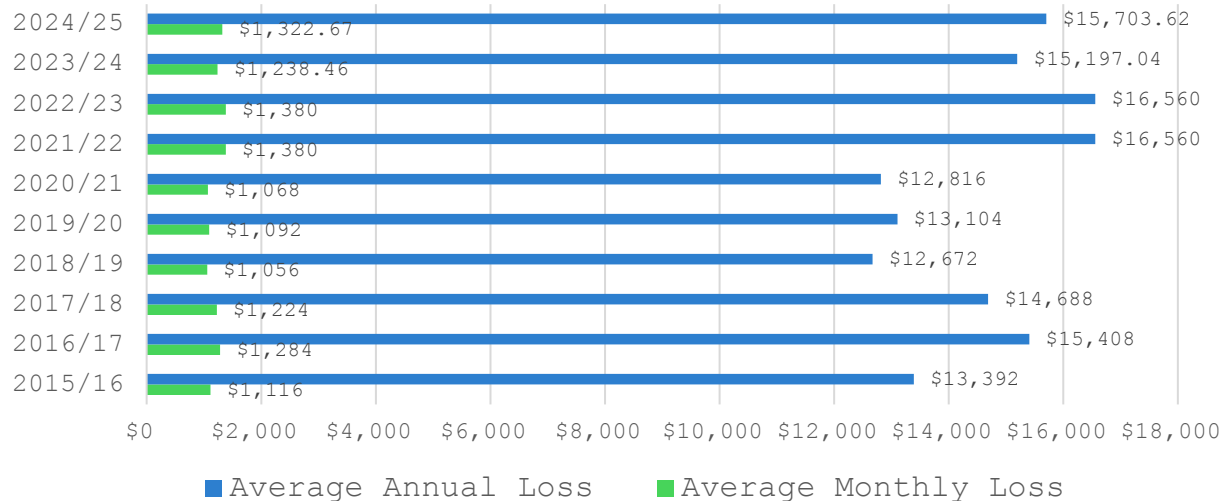
"11.8.1 Purposes. Safe, reliable water for human consumption is a necessity. The City Council recognizes that some community members are challenged to afford the cost of water service. Accordingly, by Resolution of the City Council, a Limited Income Assistance (LIA) program is established. In addition to more detailed policies and criteria, the LIA program will set a reduced monthly water rate for eligible residential water users."

The utilization of the LIA has remained fairly consistent over the last ten years, with an average of 23 participants per year. The program utilizes the Federal Poverty Level standards to determine levels of assistance, with FPL categories of 100% (highest assistance level) 125% and 150% (lowest assistance level). More than half of the eligible participants qualify at the 100% of the Federal Poverty Level.

Participating Households Based on % Federal Poverty Level Over the last 10 years



Revenue Allocation (loss) to LIA Monthly & Annual Avergaes



2025 Federal Poverty Level Chart

Household Size	Annual Gross Income		
	$\leq 100\% \text{ FPL}$	$\leq 125\% \text{ FPL}$	$\leq 150\% \text{ FPL}$
1	\$15,650	\$19,562	\$23,475
2	\$21,150	\$26,437	\$31,725
3	\$26,650	\$33,312	\$39,975
4	\$32,150	\$40,187	\$48,225
5	\$37,650	\$47,062	\$56,475
6	\$43,150	\$53,937	\$64,725
7	\$48,650	\$60,812	\$72,975
8	\$54,150	\$67,687	\$81,225

The current LIA process relies upon the creation of specific LIA customer rates based on a flat amount of reduction/credit per utility/fee, resulting in administrative overhead that could be simplified with a change in methodology, while also providing greater transparency in the actual customer billing statement. Additionally, the percentage of credit/reduction differs slightly year to year due to the use of a base/flat reduction as the basis for the LIA customer rate creation.

Current customer billing statements apply a reduced LIA specific rate rather than displaying the full billing statement summary along with a corresponding credit/reduction. The amount or rate of the credit/reduction is not displayed or noted anywhere on the billing statement.

Credit/Reduction Levels (blended average)

Current Level	Proposed
FPL = 100% 55%	35%
FPL = 125% 45%	25%
FPL = 150% 35%	15%

Proposed LIA Changes

- 1) Replace the flat/base credit amount and corresponding sliding scale rate creation to an overall "all-in" percentage reduction of the total base billing only of the qualifying customer.
- 2) Expand eligibility to outside city limits and Pioneer Valley Estates customers as the program is funded via customer rates rather than funds generated with revenues from within city limits only.
- 3) Percentage of total eligible customer base bill ensures equity to all customer types regardless of the number of different services/base fees billed.

- 4) Create a standard operating funding cap equivalent to one percent (1%) of the estimated revenues of the total of the rates, fees and charges applied to City of Coburg billing statements.

This provides the following benefits:

- Simplification and standardization of the credit/reduction total amount
- LIA percentage reduction keeps pace with future rate increases as it maintains the same ratio regardless of rate changes to the base rates of existing fees or with the creation of new fees
- Administrative streamlining by removing the requirement to annually create and audit 10-12 individual LIA reduced rates
- Improved transparency in the billing statements as the full charge billing statement is provided to the customer with the monthly credit/reduction also separately calculated and displayed so the level of reduction is clear and known.
- Clarity and simplicity to potential qualifying customers as to how the program would benefit/impact their monthly billing.
- The reduced percentages by FPL (100, 125, 150%) allow for growth in the program should demand increase over time.
- Implementation of the 1% of revenues cap provides staff with a clear program limit with Council approval required to extend program funding beyond the 1% cap.

RECOMMENDATION

Staff recommends Council approval of resolution 2025-09 adopting the policy, criteria and level of assistance for the Limited Assistance Program.

BUDGET / FINANCIAL IMPACT

This program has and will have a financial impact on the water, wastewater, and streets revenue as the monthly billing statement reduction/credit to qualifying households is forgone revenue across the various utilities and programs being billed. The proposed one percent program cap would be approximately \$23,000 and the most recent total annual credit total was \$15,703, leaving room for additional qualifying customers through the available cap as well as through the reduction in credit/reduction percentage by FPL. This is offset by increased rates and new fees that increase the total billing statement the percentage reductions/credit is calculated from.

PUBLIC INVOLVEMENT

Citizens are welcome and encouraged to provide public comment at all regular scheduled City Council meetings. Upon approval, the open enrollment will begin. Information will be available at City Hall, the website and posted on social media.

NEXT STEPS

1. Citizen outreach and applications for the FY 2025-26 will be created.
2. Website updated with FY 2025-26 LIA program information.
3. Open enrollment for this program is: **June 1, 2025, to June 30, 2025.**
4. Limited Income Assistance will go into effect July 1, 2025 and be reflected on the August utility bill that covers services for **July 1-31.**

ATTACHMENTS

1. Draft Resolution 2025-09 – Policy, Criteria and assistance levels for the LIA