




AGENDA SECTION	CONSENT
MEETING DATE	NOVEMBER 23, 2020

CITY OF COLUMBIA HEIGHTS - COUNCIL LETTER

ITEM:	ADOPT RESOLUTION 2020-100 UPDATING INCOME LIMIT FOR SENIOR CITIZEN UTILITY RATES		
DEPARTMENT: Finance	CITY MANAGER'S APPROVAL:		
BY/DATE: Jackie Zillmer/November 17, 2020	BY/DATE:		11/20/20
CITY STRATEGY:	#3: Affordability		
Additional Strategy?	#7: Strong Infrastructure/Public Services		
SHORT TERM GOAL (IF APPLICABLE):	N/A		
Additional Goal?	N/A		

BACKGROUND: For many years, the City Council has annually updated the income eligibility limit for reduced senior citizen utility rates. Currently, the income limit for reduced senior citizen rates is set at \$37,600. **Attached is a resolution raising the income limit, beginning in 2021, to \$39,300 for reduced senior citizen rates.**

The formula the City has used for this limit is the maximum current year (2020) Social Security benefit for an individual at full retirement age, plus 4%, rounded to the next even \$100 increment. This limit is then compared to applicants' prior year (2020) income. This formula is intended to allow for a modest amount of income beyond the maximum Social Security benefit possible. The maximum Social Security benefit for an individual at full retirement age for 2021 is \$37,776.

The City Council can set any formula or amount for income eligibility. If the City establishes the income eligibility guideline at a higher level, more people will qualify. As more people qualify for reduced rates, the rates for non-qualifying people will have to be raised to ensure adequate revenue in the utility fund. For many years, the number of seniors receiving the reduced rate has remained relatively constant at approximately 125 residents.

STAFF RECOMMENDATION: It is staff's recommendation that we maintain the current formula and increase the senior citizen utility rate to \$39,300.

RECOMMENDED MOTION(S):

Move to waive the reading of Resolution 2020-100, there being ample copies available to the public.

Move to adopt Resolution 2020-100, being a resolution updating the income limit for senior citizen utility rates.

ATTACHMENTS: Resolution 2020-100