



Finance Department

City of Sweet Home
3225 Main Street
Sweet Home, OR 97386
541-367-5128
Fax 541-367-1215
www.sweethomeor.gov

To: City Council
Ray Towry, City Manager

From: Brandon Neish, Finance Director

Subject: Utility Account Update Discussion

On March 8, 2020, the Governor of the state of Oregon issued Executive Order 20-03 declaring a state of emergency due to the novel coronavirus (COVID-19). The City of Sweet Home subsequently adopted its own emergency declaration during a special meeting held on March 19, 2020. In addition to the emergency declaration, the City Council also adopted a temporary policy providing emergency relief for utility accounts and other city fees. The policy held that businesses would not be required to pay the City's turn on and turn off fees if they were forced to close due to COVID-19. Further, the policy stated that, "for the duration of the current emergency, [the City] will not shut off [water] services for any utility account for non-payment." Recently, the Governor extended her Executive Order through September 4th. While the City's declaration is not dependent on the State's declaration, it is highly likely that the City's order will stand as long as the State's to maintain flexibility in responding to the pandemic and allowing the City to claim grants and reimbursements for time and materials spent on the City's response to this public health crisis. Given the extended timeframe of the COVID pandemic however, staff is seeking a long-term solution that will not result in excessive balances that cannot be paid upon return to normal procedures.

Since the implementation of the temporary emergency relief policy, the City has passed three scheduled water turn off days, April 10th, May 13th and June 10th. Each of those days had 117, 80 and 90 accounts respectively that would have been turned off for non-payment under normal circumstances. As of turn off day on July 8th, 131 accounts would have been turned off for an average balance of \$302.27. 9% of those accounts (twelve) have past due balances that exceed three (3) months with the largest past due balance totaling \$875.03. Between now and the current emergency declaration state-wide (September 4th), two additional billing cycles will have passed which could result in accounts with balances exceeding \$500 and some nearing \$1,500.

We are concerned that we are setting account holders up for failure by continuing aspects of the temporary policy through September 4th (and potentially longer if current COVID case counts are any indication). Those that have been laid-off or furloughed during the pandemic have had access to unemployment consisting of both state and federal funds. We are aware of reports that unemployment claims have been delayed and believe that continued compassion and flexibility is key to helping our customers succeed. However, staff also believes that, as folks are gradually returning to work, it is time to slowly transition back into our normal processes while understanding that everyone has varying circumstances. On June 16th, staff

mailed notices to customers with past due balances to begin an education campaign to mitigate any surprises if the City returned to its original policy. The following is staff's recommendations for next steps.

- Today: Send a second notice to past due account holders on red paper (which is the same color as the paper sent for past due notices generally) to warn account holders that their account is past due and reminding them that the City's temporary policy will be rescinded in the future resulting in standard turnoff procedure.
- August 2020: Perform a partial turn-off for accounts with past due balances incurred pre-COVID unless pre-COVID balance is paid in full.
- September 2020: Accounts with past due balances from August 1, 2020 or earlier would be turned off (regardless of timeframe) on September 9, 2020.

In line with the Mayor's proclamation at the onset of the pandemic urging compassion and flexibility, the City continues to work with account holders to set up payment plans and offering alternatives related to City utility accounts. If account holders contact the City from this point forward, staff will set up a six-month repayment plan with the goal of having all accounts caught up by March 2021.

Staff appreciates the City Council's willingness to engage in this discussion and urges all stakeholders to engage with the Council and the City to find the best approach that will do the most good, for the most people for the longest period of time.