



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action – Utility Assistance Program

Preferred Agenda: November 13, 2023

Submitted By: Kelcey Young, City Manager

Reviewed By: Kelcey Young, City Manager

Type of Action: Resolution ____ Motion X Roll Call ____ Other ____

Relevant Code/Policy: Resolutions 26, 27 & 28 for 2023 setting municipal utility rates (stormwater, water, and sewer)

Towards Council Goal: Infrastructure, be an effective and efficient government, rejuvenate essential services

Attachments: Draft Utility Assistance Request Form

Purpose of this RCA:

The purpose of this RCA is to establish a program granting utility assistance to Sweet Home residents who qualify as low income according to Linn County HUD thresholds.

Background/Context:

The City of Sweet Home approved fee increases for municipal stormwater, water, and sewer services in September of 2023 in response to economic factors and infrastructure needs, including increasing maintenance and repair costs as well as anticipated capital project requirements.

The Challenge/Problem:

Nearly 20% of Sweet Home residents are considered to be living in poverty and any rate increases, even minimal, have a financial impact on their households. City staff recognizes the need to mitigate negative financial impacts to residents while acknowledging that utility rates must be such that services can be maintained.

Stakeholders:

- Sweet Home Residents – Residents of Sweet Home will be positively impacted by utility assistance if approved.
- Sweet Home Employers – There is no direct impact to commercial businesses.
- Sweet Home City Council – There is no direct impact to City Council.
- Sweet Home City Staff – Staff will be required to absorb the additional workload of review and disbursement of assistance; this can be accomplished with current staffing levels.

Issues and Financial Impacts:

With rising costs and capital projects on the horizon, the storm utility service must remain with an appropriate balance of revenue to satisfy the ongoing requirements and maintain a policy-driven appropriate fund balance. However, allowing for a utility assistance program not to exceed a total of \$15,000 annually can be offset in the annual budget, including with recent reimbursements totaling \$525,000 from an Emergency Solutions Grant – Coronavirus Relief Phase 2 (ESG-CV2).

Elements of a Stable Solution:

A program that will provide utility assistance to Sweet Home’s most vulnerable residents while preserving the integrity of its municipal utilities will ensure both a healthy fund balance and better economic outcomes for residents. City staff recommends utility assistance of up to \$10.00 monthly per qualifying household, with total assistance not to exceed \$15,000 annually. Future rate adjustments as well as future utility assistance availability will be considered in relation to capital improvement plans, operational needs, and local socioeconomic factors.

Options:

1. Do Nothing – Do not implement a utility assistance program.
2. Approve the request as proposed – This will authorize staff to establish the utility assistance program with a maximum award of \$10.00 per month.
3. Approve the request amending the amount – This will authorize staff to establish the utility assistance program with a maximum award of \$5.00 per month.
4. Amend the request – Approve the utility assistance program with specified changes to modify the proposed assistance rates, total program cost, application requirements, or other program elements.
5. Direct Staff to research other options – Direct staff to research other ways to provide assistance.

Recommendation:

Staff recommends option 2: Adopt the request as currently proposed – Adoption of the request allows staff to implement the utility assistance program with relief to residents not to exceed a total of \$15,000 annually.