

At the Budget Committee meeting held May 18, 2020, Committee Members and Councilors expressed a desire to continue to assist utility customers in some fashion. As a result, the current program was extended after Council consensus was obtained at the May 20, 2020 meeting. Currently, late fee penalties are waived through the month of June and service disconnections due to non-payment are waived through July 2020.

Under the current program, reductions of revenue are anticipated to be \$13,675.

Council also requested staff research and bring back for consideration options for expanding the current program. A desire to extend relief to both residential customers and commercial customers was expressed. Specifically, Council requested consideration be made to businesses where Governor Brown's "Stay Home, Save Lives" Order either resulted in the business temporarily closing or significantly curtailing operations (restaurants, coffee shops, personal grooming salons, and gyms). Staff has prepared the following estimates of potential "add on" programs:

COMMERCIAL

Commercial Relief Part I – (Offered to restaurants, coffee shops, personal grooming salons, and gyms with commercial utility accounts). **Choose up to one:**

- A) Credit main account for the three months billing occurring since the City's emergency declaration: \$7,345
- B) Credit main account for the four months billing since the City's emergency declaration: \$10,835

Commercial Relief Part II – (Offered to chiropractors, dentists, and orthodontists with commercial utility accounts). **Choose up to one:**

- A) Credit main account for three months billing occurring since the City's emergency declaration: \$75
- B) Credit main account for four months billing occurring since the City's emergency declaration: \$100

Commercial relief under these options will be provided from the General Fund. Qualifying businesses are local in origin, rather than national corporations.

To participate in any program selected, an application will not be required. The City has identified the 13 - 14 commercial accounts that are eligible to receive this relief and will apply it automatically. At the time the relief is provided, a letter will be sent to the account holder explaining the program.

For those accounts that benefit multiple qualifying businesses, the main account holder will be encouraged to pass a proportionate share of the relief to the other qualifying businesses. For example, the anchor of a building may be a qualifying restaurant. Because of the way in which the utility services are provided, there is only one account for the entire building, held by the restaurant. However, a coffee shop resides in the same building. The credit will be applied to the restaurant (who pays the utilities), but the restaurant will be encouraged to pass a portion of the credit to the coffee shop.

RESIDENTIAL¹**Residential Relief Part I—Choose up to one and specify how many months:**

- A) Provide 15% base fee reduction to those who display financial impact due to unemployment or reduced hours due to COVID-19: \$1,700/month
- B) Provide 20% base fee reduction to those who display financial impact due to unemployment or reduced hours due to COVID-19: \$2,200/month
- C) Provide 25% base fee reduction to those who display financial impact due to unemployment or reduced hours due to COVID-19: \$2,800/month
- D) Provide 30% base fee reduction to those who display financial impact due to unemployment or reduced hours due to COVID-19: \$3,300/month

Residential relief under this option will be provided by the General Fund. To participate in any program selected, an application will be submitted certifying proof of address and that the person applying has been unemployed or their hours have been reduced by more than 25% at some point between March 19, 2020 (the date the City declared a COVID-19 emergency) and the date of application. Applications will be accepted through July 31, 2020. Only one application per service address will be approved. Service addresses which house tenants but the utility bill is paid by the landlord will not be eligible.

COMMERCIAL AND RESIDENTIAL**Commercial and Residential Relief Part I— Choose up to one:**

- A) Continue to waive non-payment penalties for July: \$3,700
- B) Continue to waive non-payment penalties for July and August: \$7,700

Commercial and Residential Relief Part II— Choose up to one:

- A) Continue to waive disconnections due to non-payment for August: \$875
- B) Continue to waive disconnections due to non-payment for August and September: \$1,875

The costs associated with the current program are funded by the enterprise funds. It is estimated that overall costs of assessing penalties and administrating the shut-off process are likely as high as the revenue generated by the two processes. Any additional extension selected in “Commercial and Residential Relief Parts I or II” would continue to be fiscally supported by the enterprise funds. As a result, the financial impact to the enterprise funds under the proposed programs could range from \$13,675 to \$23,250.

Any of the additional program(s) selected above (from the Commercial Section and Residential Section) will be funded via the General Fund through excess reserves. The financial impact to the General Fund under the proposed programs is estimated to be up to \$24,135. The amount of General Fund excess reserves budgeted for Fiscal Year 2020-21 is \$872,076. For Council reference, a chart listing the amounts of a 1% to 5% utilization of General Fund excess reserves follows:

5%	43,604
4%	34,883
3%	26,162
2%	17,442
1%	8,721

Regardless of the choices made above, staff makes the following suggestions:

- 1) Letters be mailed to all landlords on file explaining the program(s), as landlords are ultimately responsible for any non-paid utility fees when a tenant vacates the property (per FMC 13.05.050).
- 2) Letters be sent to homeowners with past due accounts explaining that while the program continues and the City will work with them, we will place a lien on their property in order to limit the City's financial exposure until their account is brought current (FMC 13.05.100 and FMC 13.10.280).
- 3) Staff reach out to all past due accounts the month the disconnection due to non-payment program ceases to set up a payment plan to bring accounts current. Arrangements need to be made at this point in order for the program to work with our financial software. Normal fees for a payment agreement are 10% of the delayed payment. This fee would be waived for applicants setting up this payment agreement.

RECOMMENDED ACTION:

Council review the costs of the above potential programs and reach a consensus as to which program(s) they would like to offer to both residential and commercial customers while considering the estimated budget implications to General Fund excess reserves and the enterprise funds.

BUDGET IMPLICATIONS:

Total budget implications range from \$13,675 to \$47,385 (assuming a period of four months for Residential Relief Part I).

COUNCIL ALTERNATIVES:

1. Consider the costs of the above potential programs and reach a consensus as to which program(s) Council would like to offer to both residential and commercial customers while considering the estimated budget implications to General Fund excess reserves and the enterprise funds.
2. Council could choose to not to expand the current program.
3. Council could choose to implement an alternate program. Examples of alternate programs implemented by other Cities in Multnomah, Clackamas, Washington, and Hood River Counties have been compiled by Fairview's COVID Response Specialist and are displayed in Exhibit A.

¹ Assumptions:

- a. Fairview resident employment = 2,600
- b. Percent of employed Fairview residents who do not live in apartments = 50%
- c. Unemployment Rate = 20%
- d. Of those unemployed who do not live in apartments, 1/3 are the sole income source for the household, 2/3 are dual income households.

Exhibit A

COVID-19 Emergency Assistance Programs

CITY	POPULATION	COVID-19 UTILITY PROGRAM	COVID-19 SMALL BUSINESS ASSISTANCE PROGRAM
MULTNOMAH COUNTY			
Wood Village	3,997	One-time assistance available for water, sewer and gas to residential and small business owners impacted by covid-19.	nothing as of May 27, 2020
Milwaukie	21,014	nothing as of May 27, 2020	Milwaukie Business Relief Fund \$130,000 one-time grants up to \$5,000 to public-facing businesses with a current business license City Council allocated money from the construction excise tax fund
Lake Oswego	39,532	Lake Oswego Temporary Utility Assistance Program \$20,000 Fund The City will choose a non-profit to administer program and they expect to receive additional funds through donations.	Lake Oswego one-time Business Assistance Grant Program \$250,000 Fund Applications were only open 1 day
Gresham	110,158	No, but does have an established utility assistance program for low-income single family households.	Gresham Small Business Emergency Grant Program \$400,000 \$1,000 per employee up to \$10,000 maximum based on # of employees according to Gresham Business license
Portland	653,115	No, but does have an established utility assistance program for low-income residents.	Portland Small Business Relief Fund \$2 million (\$1 million in grants) administered by Prosper Portland; received over 8,000 applications; funded 210 businesses
HOOD RIVER COUNTY			
Hood River	7,806	Nothing as of May 27, 2020	Hood River County Chamber of Commerce launched a new "online marketplace." features local businesses and directs users to the company's website to purchase items
CLACKAMAS COUNTY			
Molalla	9,235	Temporary Covid-19 Utility Assistance , fund amount is based on donations. Community members can donate or apply for assistance.	
Sandy	11,326	No, but has an established (Jan.2020) a Utility Bill Customer Assistance Program for customers that make less than \$31,284 per year	Business Aid Program \$75,000 fund ; disbursed in grants up to \$3,000 grants
Gladstone	12,244	One-time 50% reduction of utility bill for all citizens . Total cost for reduction: \$229,489	
Happy Valley	21,694	Clackamas River Water delayed rate increase	Happy Valley Business Alliance Good Shirt Program ; sell 20,000 shirts to create a fund to support local businesses

Wilsonville	24,582	No, but contributed \$60,000 to Wilsonville Community Sharing nonprofit to disburse funds to help with food, rent, medical, and utility costs	COVID-19 Relief Grants, \$400,000 Fund \$1,000-Home Based Businesses; \$2,000 sole proprietor Micro Businesses; \$4,000 brick and mortar businesses; \$10,000 to Clackamas County Hotels Gift Care Purchase Program to support Local Businesses , \$20,000 fund
West Linn	26,756	No, but has an established low income utility assistance program	Emergency Business Assistance Grant Program, disbursed in grants up to \$2,500
Tualatin	27,602	Tualatin Valley Water District Emergency Assistance Program donation based and managed by a non-profit	Economic Stabilization Fund \$250,000 disbursed in grants up to \$10,000
Oregon City	37,129	Nothing as of May 27, 2020	Business Debt Relief Initiative Grant fund \$200,000; Grant awards up to \$3,000; funds given happy out on a first-come first-serve basis
WASHINGTON COUNTY			
Washington County Business Grant Program , \$300,000 Fund disbursed to 102 businesses within county			
Cornelius	12,724	No, but has an established Senior Citizen Discount program	No, but eligible to participate in the county grant program
Sherwood	19,679	One-time credit of \$58.99 for qualifying residents	Small Business Emergency Relief Program \$100,000 disbursed in grants up to \$2,500
Forest Grove	24,624	Covid-19 Water Utility Assistance Program, \$20,000 for residential Energy Assistance Program, \$75,000—funded before covid-19 Awarded \$25,000 in assistance grants to non-profits to provide emergency services to vulnerable community members	Scholarship Grants \$599 for Retail Small Business Builders Training program Small Business Assistance Program \$100,000 for businesses within the Renewal District up to \$2,500
Tigard	54,758	Tigard AID Program Residential Customers: \$40/month credit up to December 2020 for households with an unemployed person Commercial Customers: \$40/month credit for businesses that experienced financial losses due to COVID-19 Tigard Water Service Customers can apply for assistance through nonprofit St. Vincent de Paul	Tigard CARES — Commercial Assistance & Relief for Economic Stability , \$1,000,000
Beaverton	98,962	No, but there are lots of non-profit programs to help Beaverton residents	Emergency Business Assistance Program disbursed in funds up to \$2,500 so far, two rounds of funding
Hillsboro	108,389	No, but there are lots of non-profit programs to help Hillsboro residents	Small Business Emergency Relief Program, \$1,000,000 disbursed to 408 businesses, two rounds of funding, grant amounts up to \$1,500 for single employee businesses and \$3,000 for all other businesses

From: Nolan Young
Sent: Tuesday, June 2, 2020 5:59 PM
To: Mike Weatherby
Subject: Possible motion for June 3rd Meeting on Utility Bill Relief.

Mike

I believe this was your intent. Please let me know if I have missed anything.

Nolan

“Move to adopt a City of Fairview Utility Customer COVID-19 Relief Program that does the following:

- 1- Provide a four month utility bill credit for the following businesses with commercial utility accounts: restaurants, coffee shops, bakeries, personal grooming salons, gyms, chiropractors, dentists, and orthodontists.
- 2- Provide a four-month 15% base fee reduction to those who display financial impact due to unemployment or reduced hours because of COVID – 19.
- 3- Continue to waive nonpayment penalties through July 2020
- 4- Continue to waive disconnects due to nonpayment through August 2020



AGENDA STAFF REPORT

MEETING DATE	AGENDA ITEM #	REFERENCE NUMBER
June 3, 2020	2.	2020-39

TO: Mayor and City Council
FROM: Lesa Folger, Finance Director
THRU: Nolan K. Young, City Administrator
DATE: June 3, 2020

ISSUE:

The Mayor expressed concern that the previously Staff Report dated May 25, 2020 did not provide an opportunity for relief to be extended to an adequately broad segment of Fairview’s residents and businesses.

BACKGROUND:

At Council’s direction, a Staff Report dated May 25, 2020 was created and distributed. Staff was directed to propose programs that would benefit commercial customers to include restaurants, coffee shops, personal grooming salons, and gyms. Additionally, residential relief based on a percentage of fee reduction was also requested.

After examination, Mayor Cooper expressed concern that the relief options in the prior Staff Report were too specific and effectively excluded certain segments of Fairview’s population.

The City’s current approach to COVID-19 relief is to provide businesses with information on State and Federal stimulus programs to assist them in accessing those funds. To complement this approach, Council could choose to designate a portion of General Fund excess reserves for COVID-19 relief and direct the City Administrator, in a timely fashion, to identify areas where Federal and State programs are failing to adequately meet the needs of local residents and businesses. Staff would then develop ways in which to utilizing the funding set aside by Council to meet those needs.

If Council elects to take the above approach, staff proposes that Council designate an amount between 5% and 10% of General Fund excess reserves specifically for COVID-19 relief. General Fund excess reserves in the approved budget for FY 2020-21 are \$872,076. For Council reference, a chart listing the amounts of a 1% to 10% utilization of General Fund excess reserves follows:

10%	87,208
9%	78,487
8%	69,766
7%	61,045
6%	52,325
5%	43,604
4%	34,883
3%	26,162
2%	17,442
1%	8,721

Once the amount of excess reserves set aside by Council for COVID-19 relief was exhausted, additional Council action would be needed should Council wish to extend additional relief. The City Administrator would provide a weekly report on the use of funds to Council. Examples of ideas on how to use these funds in addition to leverage State and Federal programs via matching funds include the following:

Residential Relief

Using the standard of up to four months of base utility fees (\$63 per month), assistance would be provided to those that applied and identified that unemployment benefits received did not meet their loss in income. Approved relief would be provided in one of two ways:

- 1) Fairview utility customers would receive a credit on the utility bill.
- 2) Fairview citizens who do not have a utility account would receive their assistance via check to be used for rent relief (a statement stating they would use the funds toward their rent would be on the application that they would sign).

Commercial Relief

- 1) Utility relief of up to four months of base utility fees on the main utility account.
- 2) Most commercial accounts would be eligible (excludes apartment complexes, national corporations, and food processors).
- 3) Businesses who lease space and don't pay a utility bill would be eligible (funds would be provided to use as rent relief).

Additionally, amounts designated could be utilized as matching funds for future Business Oregon Emergency Business Assistance Grants (similar to the \$15,000 the City was recently awarded).

An application for both residential and commercial programs would be developed and the program would be advertised. Staff would reach out individually to those commercial businesses Council previously identified as specifically needing assistance (restaurants, coffee shops, personal grooming salons, and gyms). This program also allows local businesses such as home childcare facilities to apply for and potentially receive relief, while the programs presented previously did not. Additionally, the relief is provided directly to a business if they do not have a utility account, where the previously proposed programs merely encouraged that one business pass a portion of their credit to other businesses on the same account.

Relief under this option will be provided from the General Fund.

RECOMMENDED ACTION:

Staff recommends that the Council create a fund of 5% to 10% of the excess General Fund excess reserves for implementation of a COVID-19 relief program for Fairview to residents and businesses.

BUDGET IMPLICATIONS:

Total budget implications are dependent on the percentage of General Fund excess reserves Council chooses to designate to this program.