



MAYOR BRIAN COOPER
COUNCIL PRESIDENT MIKE WEATHERBY COUNCILOR KEITH KUDRNA
COUNCILOR STEVE OWEN COUNCILOR BALWANT BHULLAR
COUNCILOR CATHI FORSYTHE COUNCILOR DARREN RIORDAN

FAIRVIEW CITY COUNCIL AGENDA

Due to the restrictions in place established by the Governors Stay-at-Home Order the Fairview City Council will hold the June 3, 2020 special meeting via Zoom. Instructions to join the meeting are on page 2 of the agenda.

WEDNESDAY, JUNE 3, 2020

SPECIAL MEETING

- 1. CALL TO ORDER 6:00 PM
 ROLL CALL

- 2. UTILITY PAYMENT RELIEF PROGRAM

- 3. ADJOURNMENT

Brian Cooper
Mayor

May 28, 2020
Date

Zoom Meeting Instructions

Fairview City Council Special Meeting
June 3, 2020 | 6:00 PM

Please note members of the public may view the meeting, but will only be able to listen.

Join Zoom Meeting
<https://zoom.us/j/91806992384>

Meeting ID: 918 0699 2384

Password: 1908

One tap mobile
+13462487799,,91806992384#,,1#,1908# US (Houston)
+16699006833,,91806992384#,,1#,1908# US (San Jose)

Dial by your location
+1 346 248 7799 US (Houston)
+1 669 900 6833 US (San Jose)
+1 253 215 8782 US (Tacoma)

Meeting ID: 918 0699 2384

Password: 1908

Find your local number: <https://zoom.us/u/acp320SXXi>

For questions regarding submitting written public comment or requests for accommodations please contact the [City Recorder](#), 503-674-6224 or leymasterd@ci.fairview.or.us, at least 24 hours prior to the meeting.



AGENDA STAFF REPORT

| MEETING DATE | AGENDA ITEM # | REFERENCE NUMBER |
|--------------|---------------|------------------|
| June 3, 2020 | 2. | 2020-38 |

TO: Mayor and City Council
FROM: Lesa Folger, Finance Director
THRU: Nolan K. Young, City Administrator
DATE: May 25, 2020

ISSUE:

Shall the City expand its current COVID-19 utility payment relief program? If so, what additional elements should be extended or added to the current program?

BACKGROUND:

In consideration of the COVID-19 pandemic and the associated financial strain placed on the citizens of Fairview, on March 16, 2020, staff made the determination that it was in the best interest of our citizens to develop a utility relief program. This program consisted of waiving utility late payment penalties for the months of March and April (since extended through May). Additionally, service disconnection due to non-payment was cancelled for the months of March and April (since extended through May). Further, it was the intent of staff to work with individuals to bring their accounts current over a period of up to six months without additional fees.

This program has been advertised extensively in the April and May newsletters, as well as on the City Website and social media. Below is one of the articles that appeared in the newsletter.

What to do if You Can't Pay Your Utility Bill

Currently, utility bill late payment fees and disconnections due to non-payment are suspended until at least May 1st. As we get closer to the May 1st date, the City will re-evaluate whether there will be an extension. Even if the City opts not to extend this date, WE WILL WORK WITH YOU to bring your account current. We realize many have been affected financially by the COVID-19 pandemic and will do our best to assist you. A plan is being developed to allow payment agreements over an extended timeframe (the details are still being worked out). More information regarding this topic will be available in the future by visiting our website, www.fairvieworegon.gov. You may also call the City's main line (503) 665-7929 – please leave a message and someone will return your call.

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 |