



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 7a

Title: **Recommendation to Approve the Issuance of a \$20 Utility Rebate to Dwellings and Buildings Receiving City Utility Services**

Presenter: Colleen Lavery, Assistant Finance Director

Meeting: Government Operations Committee Date: June 21, 2021

Proposed Cost: \$330,000 Budgeted Amount: \$0 Not Budgeted:

During fiscal year 2021, City Council directed staff to implement policies which would ease the financial burdens placed on residents and business owners struggling as a result of the COVID-19 pandemic. To that end, the City ceased applying late fees to past due utility charges and suspended disconnecting utility services for non-payment. Also, the requirement to tender a utility deposit after submitting four late payments within a twelve-month period was paused. Additional financial relief for bars and restaurants was provided by refunding late-night permit fees and waiving the penalties that would have been assessed on alcohol tax remittances filed after the submission deadline.

The prolonged financial impact of the pandemic on residents and businesses was discussed during the fiscal year 2022 budget presentations. In an effort to provide additional monetary relief, City Council requested that staff calculate the amount and cost of providing a utility credit that would serve to offset the increase in the dollar amount of the City’s property tax levy. It was determined that a \$20 credit would negate the impact of the slight property tax rate increase and the estimated 2.25% rise in property values.

The total cost of providing rebates to all dwellings and buildings receiving City utility services approximates \$330,000.

Only utility accounts with an “active” or “final” status, on July 6, 2021, will be eligible to receive the \$20 rebate. **A rebate will not be issued if any of the following conditions exist:**

- *The City is not providing electric, water, sewer or refuse services to the property.* This provision results in the exclusion of temporary hydrant meter and irrigation meter accounts.
- *The electric, water, sewer or refuse service is not being provided to a dwelling unit or building.* This provision results in the exclusion of cable box only accounts.
- *The property receiving the service is rented/leased but not occupied.* This provision will eliminate rebate payments to unoccupied rental properties.

The rebate will appear on the utility bills mailed on July 10th, July 20th, July 25th and August 5th. If the rebate results in a credit on an account in final status, the credit amount (?) will be donated to the Neighbors in Need Program.

The rebate will be labeled “adjustment” on the utility bill. However, the utility bill will include a message which explains the purpose of the rebate and provides instructions on how to donate the rebate to the Neighbors in Need Program, should a resident so choose.

The cost of the utility rebate was not budgeted and therefore requires a budget addition.

Attachments (please list):

Recommendation/Suggested Action (briefly explain):

- **Motion to approve the Issuance of a \$20 Utility Rebate to Dwellings and Buildings Receiving City Utility Services**