



Legislation Details (With Text)

File #: 18-5422 **Version:** 1 **Name:**
Type: Agenda Item **Status:** City Manager Report
File created: 4/19/2018 **In control:** City Council
On agenda: 4/26/2018 **Final action:**
Title: RESOLUTION NO. 2265 - UTILITY RATE REDUCTION PROGRAM

COUNCIL STRATEGIC INITIATIVE ADDRESSED:
Council Initiative: Continue effective financial management

CITY ATTORNEY REVIEW: REQUIRED

SUMMARY STATEMENT:

The Council has established a utility rate reduction program for low-income senior citizens and low-income disabled citizens of the City. Annually, low income senior and low-income disabled citizens on the City’s rate reduction program are asked to re-apply so that staff can ascertain whether or not they still qualify. In years past, a number of program participants have received modest annual increases in income that, in many instances may have caused them to exceed the limit in effect, and therefore could have resulted in some of the participants losing the rate reduction benefit. These increases in income are largely the result of inflationary increases granted by the Social Security Administration. In most instances, the modest cost-of-living increases granted by Social Security are not sufficient to offset the utility rate increases that these citizens would now experience if they lost their participation in the City’s rate reduction program. Staff is recommending that the 2018 income eligibility limits for the City’s rate reduction program be increased in order to keep eligible those with the greatest need of this rate reduction. The 2018 proposed utility rate relief income limit for a single person household is \$22,750, and is up \$1,000 from the present income limit of \$21,750. For a household with two persons the proposed income limit is \$26,000. Last year’s income limit for a two person household was \$24,850. The proposed income limit for a household with five or more persons is \$35,100. Presently there are about 350 households receiving reductions. Preliminary estimates indicate that total program benefits will approximate \$175,000 annually under this proposed resolution.

RECOMMENDED ACTION:
Motion to adopt Resolution No. 2265 providing for the utility rate reduction program.

STAFF CONTACT:
Kurt Sacha, City Manager

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution 2265-2018 Utility Rate Reduction Program

Date	Ver.	Action By	Action	Result
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In most instances, the modest cost-of-living increases granted by Social Security are not sufficient to offset the utility rate increases that these citizens would now experience if they lost their participation in the City's rate reduction program. Staff is recommending that the 2018 income eligibility limits for the City's rate reduction program be increased in order to keep eligible those with the greatest need of this rate reduction. The 2018 proposed utility rate relief income limit for a single person household is \$22,750, and is up \$1,000 from the present income limit of \$21,750. For a household with two persons the proposed income limit is \$26,000. Last year's income limit for a two person household was \$24,850. The proposed income limit for a household with five or more persons is \$35,100. Presently there are about 350 households receiving reductions. Preliminary estimates indicate that total program benefits will approximate \$175,000 annually under this proposed resolution.

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