



CITY OF

PORTLAND, OREGON

ENERGY OFFICE

Mike Lindberg, Commissioner
Jeanne McCormick, Director
Room 545, The Portland Building
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Portland, Oregon 97204
(503) 796-7222

August 9, 1985

TO: Mayor Bud Clark
Commissioner Dick Bogle
Commissioner Mike Lindberg
Commissioner Mildred Schwab
Commissioner Margaret Strachan

FROM: Utility License Fee Rebate Task Force
Jeanne McCormick, Chair ~~_____~~
Kathleen Bogan, Sonny Conder, Bob Rieck,
Ruth Spetter, and Ed Tenny, Members

SUBJECT: Report of Task Force in Response to Resolution No. 33879

3382~

In passing Resolution No. 33879, the Portland City Council gave the Utility License Fee Rebate Task Force the responsibility to prepare a relief program for low-income households. This relief would prepare for the increased costs on utility bills resulting from a change in the utility license fees which are scheduled to be implemented October 1, 1985.

The Task Force identified the following objectives to be used in its pursuit:

1. To provide relief to Portland's low-income households from the impact of the planned October 1, 1985 increase in public utility license fees.
2. To identify and discuss a joint effort with an existing service delivery mechanism and agency.
3. To keep administrative costs to an absolute minimum.
4. To develop a public information effort, using existing resources, which effectively reaches eligible households.
5. To ensure an effective program through monitoring and evaluation and to report back to Council.

The Task Force met on a weekly basis and consulted with utilities and social service agencies as well as state agencies. Several social service program delivery systems were studied in order to determine the feasibility of coordinating with those programs to provide the relief. Among the options considered were coordinating with the Low-Income Energy Assistance Program, simply making special appropriations to the programs operated by social service agencies serving the energy needs of Portlanders, operating a self-certification rebate program, having the utilities adjust their account system to avoid billing the increase to low-income accounts, and coordinating with the state's Food Stamp Program. After careful consideration it is the unanimous recommendation of the Task Force that the City coordinate with the state's Adult and Family Services Division and the Food Stamp Program to provide a direct rebate to low-income households.

Working with the Housing Section of the Planning Bureau, it was determined there are approximately 29,000 Portland households at or below the 125% of poverty level. In Portland, for a household of one, that income level would be \$6,075; for a family of four the income would be at or below \$12,375. The most comprehensive assistance program serving this population is the state's Food Stamp Program, which serves 24,658 households in Portland. This is approximately 14%-17% of the City's households. This population includes ADC families, elderly, blind, disabled, the single unemployed, as well as low-income two-parent families.

The State of Oregon Adult and Family Services Division has been very helpful to the Task Force and is interested in coordinating with the City of Portland to provide a rebate. It is budgetarily difficult for the AFS to accept funds from the City to include a rebate check when the food stamps are mailed out, but they are able to provide to the City a computer tape listing the eligible households. These are all families at or below 125% of the federal poverty level. The new stricter enforcement standards of the Food Stamp Program makes us believe that the misuse of this program is minimized and the City would have available a current listing of the majority of Portland's actual low-income households.

Not all low-income residents receive food stamps, and the Task Force recommends the Council also make an appropriation to the emergency fuel fund. These funds would be used to provide additional assistance, in the amount of the rebate, to persons not having received a rebate, and who are in emergency need.

Because this is a revenue issue as compared to a social service issue, the Task Force unanimously recommends the rebate program be operated through the Bureau of Licenses, which will provide the supervisory capacity within its

existing resources. It is further recommended that three temporary employees be hired for a period of 3-4 months to implement the program. One of these employees would be hired through the Older Workers Program and two through the Burnside Job Corps. The City would mail a rebate notice to Food Stamp recipients who would then, by return mail, send a card with their name, address and primary heat source. Payment would then be approved and recorded. It is estimated that 75% of the eligible households would return the cards. The Task Force is looking into the option of having a private financial institution process the payments through a special checking account in order to render the program as efficient and inexpensive as possible.

This system would enable the City to determine whether the home was heated by electricity, gas, oil, wood, or other. A two-tiered rebate would be in effect with a FY 85-86 rebate being \$16.80 for electric and gas heated homes, and \$10.80 for oil, wood, and other. This is a rebate for 3/4 of FY 85-86, and the recommendation for the following full fiscal year would be a rebate of \$21.00 and \$13.50 respectively. It is anticipated that based on a 75% response rate, the rebate would amount to \$261,900 plus minimal implementation costs, plus an appropriation to the emergency fuel fund. We anticipate the total program costs, including the rebate, administration, and special appropriation for the emergency fuel fund, to be \$300,000.

The Task Force recommends that the City Council approve this concept, which is the result of lengthy study and discussion with many interested groups. We further recommend that the Council direct the Task Force to prepare the appropriate implementing ordinances within 30 days.

The Task Force further feels it is extremely important to monitor and evaluate this program, and would like to take on that responsibility and report back to the Council by April 1, 1986.

We appreciate the valuable information and ideas we received from the utilities and social service agencies and the State of Oregon, and look forward to finalizing a program that will be of help to the City Council.

JFM:sf

August 9, 1985

TO THE MAYOR:

Transmitted herewith is the report of the Utility License Fee Task Force, as required by Resolution No. 33879 passed by the City Council on May 15, 1985.

It is the unanimous recommendation of the Task Force that the report of the Utility License Fee Task Force be accepted by City Council and that the accompanying resolution be adopted, directing staff to prepare appropriate ordinances for the consideration of Council in furtherance of the Task Force recommendations.

APPROVED: Jeanne McCormick
Director, Energy Office
Chairperson, Utility License Fee Task Force

By: 

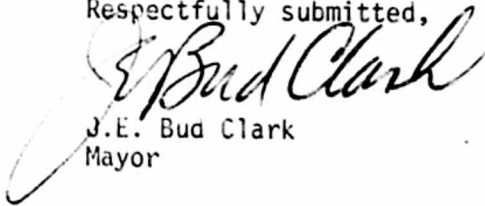
TO THE COUNCIL:

The Mayor concurs with the above report, and

RECOMMENDS,

that the City Council accept the report of the Utility License Fee Task Force and commend the Task Force for its efforts and, further, that the City Council adopt the accompanying resolution in order to effect consideration of the Task Force recommendations.

Respectfully submitted,


J.E. Bud Clark
Mayor

RESOLUTION NO.

33927

WHEREAS, Council approved an ordinance on May 9, 1985 which amended Title 7, Business Licenses, of the Code of the City of Portland, by amending Sections 7.14.040 and 7.14.050 to increase the license fee for a public utility doing business within the City, to be effective October 1, 1985; and

WHEREAS, Council found it necessary to increase this fee to provide an adequate level of public service to all Portland residents; and

WHEREAS, individuals and organizations testifying before the Council indicated that increased utility costs could provide a hardship to persons of limited income; and

WHEREAS, Council has a responsibility where possible to ensure that basic needs of the citizens of the City of Portland are met, and concludes that utility services are among those needs; and

WHEREAS, Council does not intend to cause a hardship on the ability of low-income families to obtain necessary utility service; and

WHEREAS, Council finds it appropriate to initiate a program for financial relief from the increased fees to low-income residents; and

WHEREAS, Resolution No. 33879 approved by Council on May 15, 1985 appointed a Task Force, chaired by the Director of the Portland Energy Office, and including representatives of the Office of Fiscal Administration, Bureau of Human Resources, Bureau of Licenses, Office of City Attorney, and Bureau of Environmental Services; and

WHEREAS, this Task Force was directed to consult with social service agencies and to prepare a rebate program for low-income residents, to be ready for operation on October 1, 1985; and

WHEREAS, a report dated August 9, 1985 outlining the recommended program has been submitted to the City Council by the Task Force; and

RESOLUTION No.

33927

WHEREAS, the City Council members have read the report and approve of the proposed program.

NOW, THEREFORE, BE IT RESOLVED, that the report of the Task Force is hereby adopted by the City Council as providing the appropriate direction for implementing the program.

BE IT FURTHER RESOLVED, that the Task Force finalize implementation procedures and draft all necessary ordinances and take all necessary actions for City Council enactment of this program by October 1, 1985.

Adopted by the Council, **AUG 14 1985**

BY ORDER OF THE COUNCIL
J. McCormick:sf
August 9, 1985

JEWEL LANSING
Auditor of the City of Portland

By

Elena Cervera

Deputy

Calendar No. **167**

RESOLUTION No. 33927

Title

Adopting the Report of the Public Utility License Fee Task Force, and directing the Task Force to finalize implementation procedures, draft all required ordinances, and take all necessary actions for enactment of this program by October 1, 1985.

INTRODUCED BY	
By Order of the Council	
NOTED BY THE COMMISSIONER	
Affairs	
Finance and Administration	
Safety	
Utilities	
Works	
City Auditor	
CALENDAR	
Consent	Regular <input checked="" type="checkbox"/>

THE COMMISSIONERS VOTED AS FOLLOWS:		
	Yeas	Nays
BOGLE	✓	
LINDBERG	✓	
SCHWAB		✓
STRACHAN	✓	
CLARK	✓	

AUG 09 1985

Filed _____

JEWEL LANSING
Auditor of the CITY OF PORTLAND

By *Niana Carlson*
Deputy