



TO: Elizabeth Pauli, City Manager
FROM: Francine Artis, Interim Customer Service Manager, Tacoma Public Utilities
Jackie Flowers, Director, Tacoma Public Utilities
COPY: City Council and City Clerk
SUBJECT: Request for Ordinance to Change Use of Fund 4805 to allow monies to be used for all utilities for eligible customers
DATE: December 1, 2022

SUMMARY AND PURPOSE:

An ordinance authorizing a change of use of City of Tacoma Fund 4805 so that it may be utilized for bill assistance for qualifying customers of all utilities.

BACKGROUND:

This Department's Recommendation is Based On:

Fund 4805 was created on January 4, 1983, by Ordinance No. 22858 for the purpose of accounting for monetary transactions of any kind required to carry out the Project Need Program. The Project Need program was created effective December 22, 1982, to encourage Tacoma Power customers to donate to a special fund to be used and applied for the benefit of assisting eligible low-income customers with Power bill payments. Project Need was later renamed the Family Need Program and ultimately renamed as the Bill Credit Assistance Plan (BCAP).

On March 13, 2020, the City Manager and the Mayor of Tacoma declared an emergency existed in the City of Tacoma caused by COVID-19. Emergency Rule No. 2, which was confirmed by the City Council on March 17, 2020, and subsequently amended and confirmed by the City Council on September 28, 2021, ordered the City of Tacoma electricity, water, sanitary sewer, storm water, and solid waste utilities to postpone shutoff for nonpayment of utility rates, fees, and charges for residential and commercial customers and that late payment fees would not accrue on balances incurred during the term of the Proclamation of Emergency.

The postponement of utility shutoffs for nonpayment and the waiver of late fees during the period of the emergency ended March 31, 2022. As of the end of the period of shutoff postponement many TPU customers have significant past due balances and continue to have difficulty meeting current utility bill obligations. In order to help members of our community recover from the impacts of COVID-19 and to ensure continued access to vital utility services the Council and the Utility Board engaged in numerous efforts to assist more low-income customers with current and past due balances. This includes removing the restriction on the BCAP program that allowed certain donated funds to be used only for assistance with Power charges. The Utility Board, by Resolution No. U-11332 confirmed its intent to make such funds available to assist income-eligible households with all utility charges.

An ordinance is required to revise the purpose of Fund 4805 to remove the limitation on its use to assist with Power charges only so that those funds are available to assist income-eligible customers with all utility charges.



COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

This change will facilitate the Council and Utility Board’s policy direction to provide utility bill assistance to as many income eligible customers of the Power, Water and Environmental Services utilities as possible and in the greatest amounts possible.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: (Mandatory)

By removing the limitation on the use of funds to Power charges only this change will allow broader utility bill assistance to income eligible customers and households.

Livability: Equity Index Score: High Opportunity

Improve access and proximity by residents to diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.

Explain how your legislation will affect the selected indicator(s).

Removing the restriction that the fund be used only to assist Power customers will allow assistance to low income households and customers of all utility services, increasing the amount of assistance available to eligible accounts.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
Leave the fund’s restriction to Power customers in place.	Low income Power customers would continue to have access to the funds for utility bill assistance.	Low income customers would not have access to these funds for assistance with their Water and Environmental services bills.

EVALUATION AND FOLLOW UP:

TPU Customer Services will continue to track the numbers of customers and households who are assisted from this fund.

STAFF/SPONSOR RECOMMENDATION:

Tacoma Public Utilities recommends this change in order to carry out the Utility Board’s direction that these funds be available to assist eligible customers of with all utility charges. Staff recommends an effective date prior to the end of 2022 as soon as possible after approval of the ordinance.

FISCAL IMPACT:

The 23-24 Budget appropriated \$7M for this purpose. Council has already approved the expenses for this fund; this ordinance updates the use of the funding managed through Fund 4805.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. Fund 4805 - Low Income Assistance			\$7,000,000



2.			
	TOTAL		

What Funding is being used to support the expense?

There is not any additional expense from this change.

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

YES

These expenditures have been approved by Council through adoption of the 23-24 Budget.

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No