

November 10, 2020

COUNCIL OF THE CITY OF FORT COLLINS, COLORADO

Council-Manager Form of Government

Adjourned Meeting – 6:00 PM

(Secretary's Note: Due to the COVID-19 crisis and state and local orders to remain safer at home and not gather, this meeting has been conducted remotely, via teleconference.)

● **CALL MEETING TO ORDER**

Mayor Troxell outlined the public participation options.

City Manager Atteberry recommended shifting Other Business prior to Council going into Executive Session.

● **ROLL CALL**

PRESENT: Pignataro, Gorgol, Gutowsky, Summers, Stephens, Troxell, Cunniff  
Staff: Atteberry, Daggett, Coldiron

1. Staff Presentation Regarding Utility Payment Assistance And Shut Offs And Possible Related Council Action.

City Manager Atteberry stated the goal of this item is to have customers who may need assistance begin to have conversations with Utilities staff around options.

Gretchen Stanford, Utilities, stated the City's goal is not to disconnect electric and water services and staff hopes that when customers receive disconnect notices, they are more likely to pay attention and take action. She noted direct assistance programs are available, including CARES Act funding through the end of the year and making payment arrangements. She stated there are currently 3,700 customers with delinquent accounts, which is about double the usual number, and the average account owed for residential customers is \$75 per month. Additionally, she noted less than 1% of delinquent accounts are on the Income Qualified Assistance Program (IQAP) rate that is available for customers. She outlined the various communications Utilities staff have had with delinquent account customers.

Stanford noted over 1,200 customers have been assisted in 2020 with \$450,000 in direct assistance. She discussed the ways in which customers can apply for assistance and stated the goal is to provide assistance prior to any disconnect occurring. She noted the Governor suspended statewide utility disconnects through July and the City further extended that deadline for its customers; however, delinquent accounts can have a negative impact on Utilities and potentially other customers. She stated disconnect notices will begin going out November 13 and once a customer receives that notice, they have 7 to 10 days before utilities are actually shut off to make payment arrangements.

Lance Smith, Utilities Strategic Finance Director, discussed how the amount of outstanding accounts receivable has grown over the past six months noting the pandemic has created uncertainty for both customers and the Utility. He stated staff is anticipating ending 2020 with over \$2 million in accounts receivable beyond 60 days with another \$600,000 between 30 and 60 days, which in total is well above the \$426,000 budgeted for bad debt. He stated that it is not yet a financial crisis for the Utility, but is a concern. He noted the focus remains on customers.

Teresa Connor, Interim Utilities Executive Director, noted Utilities staff do not want to disconnect service and reiterated the need for customers to engage with staff to make a payment plan and/or take advantage of CARES Act funding and payment assistance funding.

Mayor Pro Tem Stephens asked if customers are more responsive after receiving shut off notices. Stanford replied in the affirmative and clarified that not all delinquent accounts are related to the pandemic.

Mayor Pro Tem Stephens asked if the amount of assistance is limited or if customers can get enough assistance to fully pay what they owe. Stanford replied there are currently 319 residential customers that have delinquent accounts of over \$1,000 and CARES Act funding will provide support of up to \$600. Payment arrangements or the use of the payment assistance program can be used for the remainder.

Councilmember Gutowsky noted multiple notices have been sent out to delinquent customers since June and stated another notice seems prudent.

Councilmember Gorgol asked what percentage of eligible residents are enrolled in the IQAP program. Smith replied about 10% of customers are eligible, and maybe only 5% are enrolled.

Councilmember Gorgol suggested the time between the notices and actual shut offs should be increased to 30 days. She asked how that change would impact the spending of CARES Act funding by the end of the year. Stanford replied it could still be used.

Councilmember Gorgol encouraged staff to work with other agencies distributing CARES funding. She also suggested trigger points for a more aggressive approach be determined for the Utility and requested staff return with statistics on how many shut offs occurred and how many customers set up payment plans.

Councilmember Cunniff stated sending another letter may not help certain customers who simply are not opening mail or answering phones; therefore, it either needs to be accepted that people will end up with utilities shut off or more direct door-to-door contact may be needed. He suggested not extending the timeframe for shut offs as people will call once their utilities are shut off and having extra time to allow for CARES Act funding to be put into place would be helpful.

Councilmember Cunniff noted a rate increase is one alternative as is the use of general fund reserves for an assistance program.

Councilmember Pignataro asked if staff could estimate the amount of delinquent accounts that would exist if there hadn't been a hiatus in sending delinquency notices. Connor replied letters indicating delinquency were still being sent; however, disconnect notices were not sent and services were not disconnected. She noted customer service representatives are trained in dealing with disconnected customers and service is restored the same day payment plans are outlined.

Councilmember Pignataro asked how much time goes past before an account is considered delinquent. Smith replied accounts are determined to be delinquent after two months of nonpayment.

Mayor Troxell noted there may be students who have left town and are studying remotely who may be part of this population.

Councilmember Gutowsky asked what would occur that would lead to a crisis mode for Utilities. Smith replied his concern is more the trend rather than the specific dollar amount at this time and a bigger problem would exist if things become more normal with the pandemic but there are still this many delinquent accounts.

Councilmember Cunniff asked if staff needs direction related to shut off dates. City Attorney Daggett replied the dates are set administratively and this item is before Council in order to ensure Council does not want to direct something different.

Connor suggested staff will figure out the date that would best allow for the use of CARES Act funding assistance, and it will likely be 10 to 15 days out from notices.

Councilmember Gorgol requested staff provide a memo of the timeframe and summary of outreach strategies.

Mayor Pro Tem Stephens commended the work of customer service representatives and asked if they have the ability to refer people to other available community resources. Stanford replied in the affirmative.

● **OTHER BUSINESS**

Councilmember Summers requested an update on the \$425,000 budget for hotel rooms for homeless individuals and suggested those funds could be used for some of these other needs. City Manager Atteberry replied staff will provide a memo to Council and noted there will be an update regarding the COVID appropriation dollars at next week's worksession.

A. Consideration of a motion to adjourn into executive session.

Mayor Pro Tem Stephens made a motion, seconded by Councilmember Cunniff, that the City Council go into executive session, as permitted under Article Two, Section Eleven, item One, of the City Charter, Section 2-31(a)(1)(a) of the City Code and Colorado Revised Statutes Section 24-6-402(4)(f)(roman numeral one), for the purpose of conducting annual evaluations of the Chief Municipal Judge, City Attorney And City Manager.

<b>RESULT:</b>	<b>MOTION ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Kristin Stephens, District 4
<b>SECONDER:</b>	Ross Cunniff, District 5
<b>AYES:</b>	Pignataro, Gorgol, Gutowsky, Summers, Stephens, Troxell, Cunniff

● **ADJOURNMENT**

The meeting adjourned at 10:00 p.m.

ATTEST:

  
City Clerk



  
Mayor

