



Legislation Details (With Text)

File #: AR-16-130 **Version:** 1 **Name:**
Type: Agenda Reports **Status:** Passed
File created: 8/9/2016 **In control:** City Council
On agenda: 10/3/2016 **Final action:** 10/3/2016
Title: Utility Relief Grant Program Outcome
Presented by: Diane McMordie, Director of Finance & Utilities

Sponsors:

Indexes:

Code sections:

Attachments: 1. Utility Relief Grant Statistics, 2. Utility Relief Grant Financial Summary

Date	Ver.	Action By	Action	Result
10/3/2016	1	City Council	approved	Pass

TAMRIMS#: B06

Utility Relief Grant Program Outcome

Presented by: Diane McMordie, Director of Finance & Utilities

RECOMMENDATION(S)

1. That the City of St. Albert extend the Utility Relief Grant pilot program to August 31, 2017 and the remaining funding of approximately \$166,000 originally approved by resolution C140-2015 be used to financially support this extension.
2. That the Utility Relief Grant amount be increased to \$200 (from \$150) for single family residential and to \$75 (from \$50) for multi-family residential.
3. That the City Manager be authorized to extend the agreement with Community Village to August 31, 2017 for the purposes of administering the program.
4. That Administration report back to Council in Q4 2017 with outcome and analytic data related to the Utility Relief Grant.

PURPOSE OF REPORT

To provide summary analytic data and recommendations around the Utility Relief Grant pilot program which took place from October 2015 to September 2016.

COUNCIL DIRECTION

On April 27, 2015 Council passed the following resolution:

(C219-2015)

That the City of St. Albert implement a Utility Relief Grant program, on a one year trial basis, effective

October 2015, with a capped allocation from the Stabilization Reserve of \$200,000.

That the City Manager be authorized to enter into a one year agreement with the Community Village for the purposes of administration of the program.

That Administration report to Council on the outcome and analytics of the Utility Relief Grant within 3 months of the completion of the one year trial program.

BACKGROUND AND DISCUSSION

In October 2015, the City of St. Albert in partnership with Community Village, launched a Utility Relief Grant pilot program. The goal of the program was to provide financial support to low income individuals and families to help offset the 2015 increase in utility rates due to the addition of the Supplemental Capital Contribution (SCC) fee.

The program was designed based on the following guiding principles:

- Eligibility will be based solely on “household” combined income and will not be restricted by age or home ownership status (ie. Own vs. Rent)
- Eligibility for this program is independent. Participation in any other subsidy or income support program provided by the City or any other external agency or government body will not preclude approval under this program.
- Costs for administration of the program will be kept as low as possible to ensure that the dollars actually reaching qualifying residents is maximized.
- As a strategy to limit administration costs, the eligibility criteria should be very clear and undisputable to eliminate or mitigate the costs associated with a formal appeal process.
- Proper and adequate reporting is available for the ongoing evaluation of the success of the program.

The original proposal contemplated that there would be up to 2,200 households in St. Albert that would potentially qualify for this grant based on 2011 tax filer data if the LICO (Low income Cut-off) was used as the qualifying income measure. Understanding that that not all eligible households would actually apply for the grant, administration calculated grant amounts and administration costs based on an estimated 1,500 total grants.

At the end of the pilot program, a total of 144 grants were approved and issued for a total grant amount of \$18,650. More detailed grant statistics can be found in the attachment entitled “Utility Relief Grant Statistics”.

As part of the design of the pilot, the program was split into 2 intake periods. The intent was to evaluate the effectiveness of the program after the first intake with the opportunity to make adjustments prior to the second intake. The first intake took place in October and November 2015. Statistics from this first intake saw the issuance of only 35 grants.

Through discussions between the City of St. Albert and Community Village the following items were thought to be hampering the uptake on the program:

- Using the LICO as the income threshold may be too low. There were several individuals/families who did not qualify as their income was greater than the LICO but who

would still be deemed very low income.

- The main means of advertizing was through postcards attached to the food bank drive bags (delivered to every household in the city), social media posts and information on both the City and Community Village web-sites. It is unclear if these methods were effective.
- Documentation required to be provided by applicant may be seen as prohibitive.

To address these potential issues, the following changes were made to the program for Intake #2 which took place in April/May 2016.

- Income criteria was adjusted to the most recent CNIT (Core Needs Income Threshold) for St. Albert. This is deemed to be a more accurate reflection of needs for our specific area. After the very low uptake during the initial offering it was felt there was little risk in exhausting the budget by increasing the income threshold.
- In terms of advertising, statistics from the first intake indicated that overwhelming majority of grant recipients were homeowners vs. renters. Due to this fact, notifications about the grant were added to the March and April utility bills inviting people to apply.
- The requirement for specific pieces of documentation from the applicant were not able to be addressed. It was felt that all the information being requested was required in order to confirm eligibility.

The impact of these changes to the application statistics for intake #2 were significant. The grants approved increased by 211% to 109 households and disbursed grants of \$13,600.

While overall program uptake was below expectations it should still be recognized that 144 households benefitted from this grant and for many it provided a significant benefit to their situation.

As another positive outcome, as was anticipated, several families that connected with Community Village specifically related to this grant program were subsequently referred to other programs within the organization and/or in the greater community for other required supports and programs.

From an administrative cost perspective, Community Village was initially allocated \$25,000 for the pilot program to cover the incremental costs of running this program. A summary of expenses is provided below:

Allocated	\$ 25,000
Wages:	12,630
Other Costs:	645
Remaining Balance	<u>\$ 11,725</u>

Expenses were higher in this first stage of the new program due to the requirement to plan, develop forms & processes etcetera. It is anticipated that the administrative cost per grant will reduce substantially during this next phase as the program is more developed.

The remaining balance of \$11,725 is felt to be more than adequate to cover the expenses required to run the pilot program for another year.

A complete financial summary of the pilot program can be found in the attachment entitled "Utility Relief Grant Financial Summary".

It is recognized that a minimum level of grants issued on an annual basis is likely required to make the program viable on an ongoing basis. Given this assumption, Administration and Community Village are jointly making the following recommendations:

- a) Extension of the pilot program to August 31, 2017
 - It is anticipated that uptake on the program will continue to grow over time as it becomes more known in the community. The intent is to focus communications and advertizing to other community organizations that serve a similar population base.
- b) Update the income threshold to the most recently published CNIT values.
- c) Increase the grant amounts as follows:
 - a. \$200/program year (from \$150) for single family residential
 - b. \$75/program year (from \$50) for multi-family residential
 - The original grant amounts were set fairly low to ensure there were adequate funds available based on the projected number of recipients. It is anticipated that the program will not likely ever generate the grant numbers as originally projected so it was felt that an increase to the grant amount itself may encourage more people to apply.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

Various departments within City Administration and the Community Village have worked closely together to develop and run the program.

It was discovered through the data analysis process that 39 of the households that received the Utility Relief Grant also received the Seniors Homeowners Property Tax Assistance Grant from the City. The City is able to provide the tax grant based on a listing sent from the Province of Alberta of seniors in our community that receive the provincial Seniors benefit (income based). There are currently 560 residents receiving the tax grant and it is thought that more than 39 would also qualify for the utility grant but are maybe unaware of it's existence. Administration is currently in discussions with the province to determine whether we could use this resident listing (FOIP implications) to send targetted communications to these households advising them of the Utility grant and inviting them to apply.

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

- A total of \$166,487 is available from the original budget committed from the Stabilization fund. It is anticipated that this remaining funding will be adequate to support the extension of this pilot program to August 31, 2017.

Legal / Risk: N/A

Program or Service: N/A

Organizational:

- The workload generated by this program in Utilities finance and accounts payable is currently being absorbed within current staffing. This will need to be monitored as the program grows in size.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

If Council does not wish to support the recommendation, the following alternatives could be considered:

- Alternative 1. Council could convert the Utility Relief Grant into an ongoing permanent program. Should this be desired, a permanent funding level and funding source would need to be established.
- Alternative 2. Do not approve the extension of the pilot program and cease offering this grant

STRATEGIC CONNECTIONS

- City of St. Albert Strategic Plan (Policy C-CG-02)

Pillars of Sustainability

SOCIAL - We are a friendly and inclusive community of passionate equals, where everyone feels a sense of belonging. We believe that community starts with the person next door.

Governance Strategy

Council is committed to ensuring that the City of St. Albert is a responsive, accountable government that delivers value to the community.

- Long Term Plans (e.g. MDP, Social Master Plan, Cultural Master Plan, etc.)
 - N/A
- Corporate Objectives (See Corporate Business Plan)
 - Deliver programs and services that meet or exceed our standards
 - Exercise strong fiscal management
 - Ensure our customers are very satisfied
- Council Policies, Bylaws or Federal/Provincial statutes
 - N/A
- Other Plans or Initiatives (Business Plans, Implementation Strategies, etc.)

Report Date: October 3, 2016

Author(s): Diane McMordie, Director of Finance & Utilities

Committee/Department: Financial Services

General Manager: Greg Dahlen, Acting General Manager
Interim City Manager: C. Jardine