



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
[www. CityofSacramento.org](http://www.CityofSacramento.org)

**CONSENT**  
**October 23, 2007**

**Honorable Mayor and  
 Members of the City Council**

**Title:** Agreement: The Salvation Army and City of Sacramento for Customer Assistance Program

**Location/Council District:** Citywide

**Recommendation:** Adopt a Resolution: 1) Approving the Agreement between the Salvation Army and the City of Sacramento for the Customer Assistance Program and 2) Approving the establishment of the Customer Assistance Program Outreach Plan.

**Contact:** Charlene McKoy, Business Services Division Manager, 808-1462; Jessica Hess, Media and Communications Specialist, 808-8260

**Presenters:** N/A

**Department:** Utilities

**Division:** Business Services

**Organization No:** 3350

**Description/Analysis**

**Issue:** In June 2001, the City signed an Agreement between Salvation Army and the City of Sacramento to administer a Pilot Customer Assistance Program. The original agreement expired in December 2005. The new agreement between The Salvation Army and the City of Sacramento will continue the administration of the City of Sacramento Department of Utilities Customer Assistance Program.

**Policy Considerations:** Executing the agreement to continue the Customer Assistance Program and initiating the Customer Assistance Program Outreach Plan is consistent with the City Council's request to explore options that would offer choices to residential utility customers in need of assistance with their City utility bills.

**Environmental Consideration:** N/A

**Rationale for Recommendation:** The establishment of this agreement is an important step in the continued efforts to help low income families, the disabled and seniors in the City of Sacramento. This program would allow customers the ability to make a tax-deductible donation to a program that would provide financial assistance

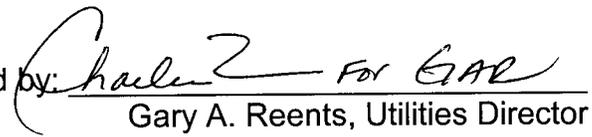
to eligible customers who cannot afford to pay their City Utility bill.

**Financial Considerations:** All funds for the program will be received through the voluntary contributions of City utility customers. The Salvation Army administration fee is 15% of the total amount of contributions. Costs that will be absorbed by the Department's operating budget include:

Information Sheet	\$ 3,000
Addressed Envelopes	\$15,000

**Emerging Small Business Development (ESBD):** No goods or services are being purchased as a result of this agreement.

Respectfully Submitted by:   
Charlene McKoy, Division Manager

Approved by:  For GAD  
Gary A. Reents, Utilities Director

Recommendation Approved:

  
Ray Kerridge  
City Manager

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## **Background**

In June 2001, the City signed an Agreement between Salvation Army and the City of Sacramento to administer a Pilot Customer Assistance Program. The Agreement had two coequal objectives: To establish a Customer Assistance Pilot Program and to give The Salvation Army authorization to administer the program.

The City of Sacramento recognizes that it provides utility services to certain customers who are on a limited income, are disabled or otherwise unable to work and may have difficulty paying their City utility bills. The Department of Utilities has developed a program, in association with the Salvation Army, to assist these customers. The program is similar to SMUD's PLEDGE Program relying on tax-deductible donations to help those in need.

The Customer Assistance Program was introduced to our customers in August 2001 through an informational insert with the utility bill. The insert explained how a tax-deductible donation can be made to help those in need of assistance. In October of 2001, an envelope, pre-addressed to the Salvation Army for use by customers who wish to contribute to the Customer Assistance Program, was included with the utility billing statement. This was continued every October.

The original agreement expired in December 2005 and only qualified seniors over 62 who owned their homes were eligible. The new agreement will include seniors over 62 who are renters within the City of Sacramento and can show proof they pay the utility bill and anyone at or below the maximum household income level consistent with the thresholds specified for the utility user tax rebate program, currently at \$25,000 per year. This change will broaden the eligibility to include more resident utility customers in need of assistance.

Customers interested in applying for assistance will contact the Salvation Army for an assistance application. The Salvation Army will review and approve the application based on the City's criteria. After the applications are processed, the Salvation Army will send the City a check to apply to the applicant's utility bill. To qualify for customer assistance, the applicant must meet all of the following criteria, in addition to being seniors over the age of 62 or permanently disabled:

1. Applicant must be owner of record or primary on rental agreement with proof that Utility Bills are paid by applicant.
2. Account must be for a single-family dwelling.
3. Applicant cannot own any other property in the City of Sacramento.
4. Total annual gross household income cannot exceed the maximum "Household Income" threshold specified for refund of the utility user tax under Sacramento City Code Section 3.32.170.

## **Customer Assistance Program Outreach Plan**

The Department of Utilities (DOU) is always working to provide extraordinary service to all of its customers, even those customers who may find it hard to pay their bills. Due to the constraints of Proposition 218, DOU is unable to subsidize those residents for the same services provided to others. In order to help these customers pay their bills, DOU has entered into a partnership with the Salvation Army for its Customer Assistance Program.

The Customer Assistance Program is supported by donations from ratepayers. Residents who are property owners or tenants who pay a City of Sacramento Utility Bill, who are over 62 or permanently disabled, live in a single family residence and who qualify financially are eligible to receive assistance with their monthly Utility Bill through the program.

### **Our Audiences**

Our Outreach will address the following audiences:

1. Ratepayers to make donations
2. Low-income residents to receive assistance

### **Key Messages**

There are several key messages which will be vital to all audiences for this effort.

- The City of Sacramento Department of Utilities strives to provide extraordinary service everyday to all of its customers.
- The Department of Utilities realizes that there are many on our community for whom paying for essential services, such as their utility bill, is difficult.
- Working together with the Salvation Army, the Customer Assistance Program aims to help those in need.
- The number of households that can participate is dependent on the available funds.

### **Key Messages for Rate Payers**

- Many of your neighbors need your help! The Customer Assistance Program is a simple way to make a tax-deductible donation to help those less fortunate in your community.
- The City of Sacramento Department of Utilities is requesting your help as it cannot lower the cost of providing essential services to these residents.
- Donating is easy, simply return a check in the donation envelope included in your bill each quarter.

### **Key Messages for Low-Income Residents**

- The Customer Assistance Program can help you pay your monthly Utility Bill.
- To qualify, you must be a bill paying property owner or tenant of a single family home, 62-years old or older or 100% permanently disabled from employment. You cannot own any other property in Sacramento and you must financially qualify.
- The Customer Assistance Program is managed by the Salvation Army on behalf of the City of Sacramento Department of Utilities.

### **Goals for Customer Assistance Program**

- To generate interest in the program by families in need.
- To generate additional donations to continue funding the program.

### **Program Elements**

Website

Community Relations

Donation Envelopes

Bill Stuffer/ Brochure

### **Website**

The DOU Website should be updated with a Customer Assistance Page. This page will allow residents to find out information about the program and (if possible) allow them to make a one-time donation to the program.

### **Community Relations**

The residents who are most in need are sometimes the hardest to reach due to language issues or general distrust of government. It is important that our message reach as many members of our community as possible. In order to reach this goal, it is important to create relationships with organizations and groups that can help share our messages. Such groups may include:

- City's Neighborhood Services Department
- Church Groups
- Groups that specialize in communication with non or limited English language speakers
- Community organizations
- Professional organizations (such as American Insurance Association, BIA, and others)
- Neighborhood Associations

### **Donation Envelopes**

Rate payers interested in donating to the program need a quick and efficient way of donating money to the program. Since the Program is not maintained by DOU, donations must be received by Salvation Army. A donation envelope was previously created and inserted into Utility Bills once a year. **This envelope will be updated and inserted into Utility Bills at least once a quarter until another more efficient method of donation can be developed.**

**Bill Stuffer/Brochure**

To help low-income residents and generous rate-payers understand more about the program, a brochure should be developed. The brochure will be sized to fit into Utility Bills and to be distributed at community events and through our community relations effort. The brochure should be stuffed into Utility Bills at least twice a year. The brochure will explain the program and what the qualifications are. It will also explain how to make donations to the program.

**Other Considerations**

1. **Translation Services-** Because many of those who qualify may not speak English as a first language, DOU should consider translating this material into at least Spanish, Vietnamese and Russian. Other language that should be considered includes Hmong, Korean and others that are included as part of the City's Language Line service.

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**APPROVAL OF AN AGREEMENT WITH THE SALVATION ARMY TO ADMINISTER THE CUSTOMER ASSISTANCE PROGRAM AND APPROVAL OF THE CUSTOMER ASSISTANCE PROGRAM OUTREACH PLAN**

**BACKGROUND**

- A. In June 2001, the City signed the Agreement between Salvation Army and the City of Sacramento to administer a Pilot Customer Assistance Program. The agreement expired in December 2005.
- B. The City of Sacramento recognizes that it provides utility services to certain customers who are on a limited income, are disabled or otherwise unable to work and may have difficulty paying their City utility bills. The Department of Utilities has developed a program, in association with the Salvation Army, to assist these customers.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Manager is authorized to sign the agreement with the Salvation Army to administer the Customer Assistance Program.
- Section 2. The Customer Assistance Program Outreach Plan proposed by the Department of Utilities is approved.

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Exhibit A

**Exhibit A**

To qualify for the customer assistance program, the applicant must meet the following criteria:

1. Applicant must be owner of record or primary on rental agreement.
2. Applicant must provide proof of payment for Utility Services.
3. Account must be for a single-family dwelling.
4. Applicant cannot own any other property in the City of Sacramento.
5. Total annual gross household income cannot exceed the maximum "Household Income" threshold specified for refund of the utility user tax under Sacramento City Code Section 3.32.170.