



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt a resolution authorizing the City Manager to allocate various funds for the Lodi CARE Package Program; and to execute a contract with the Salvation Army to administer the program (\$105,000)

MEETING DATE: August 4, 2004

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the City Manager to allocate various funds for the Lodi CARE Package Program; and to execute a contract with the Salvation Army to administer the program.

BACKGROUND INFORMATION: In partnership with the Lodi Salvation Army, Central Valley Waste, the City of Lodi Public Works and Finance departments, the City of Lodi Electric Utility has developed the Lodi CARE (Customer Assistance & Relief on Energy) Program*.

The Lodi CARE Package is designed to provide assistance to Lodi families- who are below the current federal income guidelines- in the payment of their City of Lodi utility bill. Specifically, the Lodi CARE Package will provide a relief payment of \$125.00 (maximum) for eligible families. Other program specifics include:

- a family in need will be interviewed by staff of the Lodi Salvation Army, and must meet eligibility requirements (*please see attached Exhibit "A"- Eligibility Requirements*);
- if approved by staff from the Lodi Salvation Army at their Lockeford Street offices, the Lodi Salvation Army will then notify the City of Lodi Finance Department of eligible customer name, and amount of relief payment; City of Lodi Finance staff will input appropriate payment data in customer's account;
- the Salvation Army will also notify the City of Lodi Electric Utility Department of approved customers; these customers will automatically be enrolled in the Lodi Energy Audit Program, and receive a free, in-home energy audit (Electric Utility staff will also deliver important customer information regarding water conservation and services available through Central Valley Waste);
- customers are eligible for a maximum grant of \$125 every six months;
- a new set of income guidelines has been developed for this program, which the Lodi Salvation Army will utilize as a part of the customer eligibility screening process (*please see attached Exhibit "B"*).

As mentioned above, several entities are partnering to ensure success of this program. Below is a listing of those agencies/departments, and the financial resources committed by each to fund this effort:

- Central Valley Waste, \$15,000 (this contribution will fund the refuse relief component);

APPROVED:


H. Dixon Flynn, City Manager

Adopt a resolution authorizing the City Manager to allocate various funds for the Lodi CARE Package Program; and to execute a contract with the Salvation Army to administer the program (\$105,000)
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- City of Lodi Electric Utility, \$60,000 (this contribution will fund the program administration, customer outreach & material preparation costs, as well as the electric utility relief component);
- City of Lodi Public Works, \$30,000 (this contribution will fund the water and wastewater relief components);
- City of Lodi Finance Department;
- Lodi Salvation Army.

The Lodi CARE Package has been created to assist families in crisis. The relief payments are designed to provide a level of assistance during their hardship. The \$125 maximum relief payment was developed following careful research by City of Lodi staff. It was determined that a customer- *currently participating in the City's low-income electric utility rate discount program (known as the SHARE Program)* – had an average utility bill of \$120 per month. The Lodi CARE Package Program is being provided to customers in need, solely as a hand-up, rather than a hand-out, during their difficult financial time.

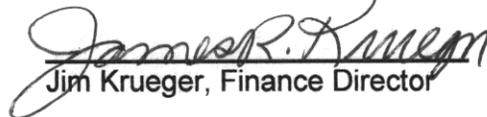
Also by way of this Council action, city staff is recommending approval of a contract with the Salvation Army. The Salvation Army has been selected to administer the program, and provide the necessary customer screening services at their offices located on Lockeford Street here in Lodi. The Salvation Army currently administers similar programs for the State of California and Pacific Gas & Electric Company (*please see attached "Contract"*). Electric Utility staff will serve as the City of Lodi's point of contact for the program, frequently meeting with Salvation Army staff on document filing, customer follow-up, management of the budget, etc.

Electric Utility, Finance and Public Works staff, in conjunction with Central Valley Waste and the Lodi Salvation Army, respectfully recommend approval of these funds, as well as execution of the contract, to implement the Lodi CARE Package Program.

**The Lodi CARE Package Program was initially presented to the Lodi City Council during a Shirtsleeve Session on Tuesday, May 4, 2004.*

FUNDING: 164606 Public Benefits (Category: Low-Income Services); \$60,000
Water Fund \$15,000 Sewer Fund \$15,000

Funding Approval:


Jim Krueger, Finance Director

Richard Prima
Public Works Director



Alan N. Vallow
Electric Utility Director

PREPARED BY: Rob Lechner, Manager of Customer Services & Programs

ANV/mdw

Attachments

cc:

RESOLUTION NO. 2004-159

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO ALLOCATE VARIOUS FUNDS FOR
THE LODI CARE PACKAGE PROGRAM, AND FURTHER
AUTHORIZING THE CITY MANAGER TO EXECUTE
A CONTRACT WITH THE SALVATION ARMY TO
ADMINISTER THE PROGRAM

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WHEREAS, the Lodi Customer Assistance & Relief Energy (CARE) Package Program is designed to provide assistance to Lodi families who are below the current federal income guidelines in the payment of their City of Lodi utility bill; and

WHEREAS, specifically, the Lodi CARE Package Program will provide a relief payment of \$125.00 maximum for eligible families, and other program specifics include the following:

- a family in need will be interviewed by staff of the Lodi Salvation Army and must meet eligibility requirements (*please see attached Exhibit "A"- Eligibility Requirements*);
- if approved by staff from the Lodi Salvation Army at its Lockeford Street offices, the Lodi Salvation Army will then notify the City of Lodi Finance Department of eligible customer name and amount of relief payment; City of Lodi Finance staff will input appropriate payment data into customer's account;
- the Salvation Army will also notify the City of Lodi Electric Utility Department of approved customers; these customers will automatically be enrolled in the Lodi Energy Audit Program and receive a free, in-home energy audit (Electric Utility staff will also deliver important customer information regarding water conservation and services available through Central Valley Waste Services);
- customers are eligible for a maximum grant of \$125 every six months;
- a new set of income guidelines has been developed for this program, which the Lodi Salvation Army will utilize as a part of the customer eligibility screening process (*please see attached Exhibit "B"*).

WHEREAS, several entities are partnering to ensure success of this program, and listed below are the agencies/departments and the financial resources committed by each to fund this effort:

- Central Valley Waste Services, \$15,000 (this contribution will fund the refuse relief component);
- City of Lodi Electric Utility, \$60,000 (this contribution will fund the program administration, customer outreach and material preparation costs, as well as the electric utility relief component);
- City of Lodi Public Works, \$30,000 (this contribution will fund the water and wastewater relief components);
- City of Lodi Finance Department; and
- Lodi Salvation Army.

WHEREAS, staff recommends approval of a contract with the Salvation Army to administer the program and provide the necessary customer screening services at its offices located on Lockeford Street in Lodi, with the Electric Utility staff serving as the City's point of contact for the program, frequently meeting with Salvation Army staff on document filing, customer follow-up, management of the budget, etc.; and

WHEREAS, Electric Utility, Finance, and Public Works staff, in conjunction with Central Valley Waste Services and the Lodi Salvation Army, recommend approval of these funds, as well as execution of the contract, to implement the Lodi CARE Package Program.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to allocate various funds for the Lodi CARE Package Program in the amount of \$105,000; and

BE IT FURTHER RESOLVED that the City Manager is authorized and directed to execute a contract with the Salvation Army to administer the program.

Dated: August 4, 2004

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I hereby certify that Resolution No. 2004-159 was passed and adopted by the Lodi City Council in a regular meeting held August 4, 2004, by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Howard, Land, and
Mayor Hansen

NOES: COUNCIL MEMBERS – Beckman

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk

CONTRACT

This contract between The City of Lodi (hereinafter "Lodi") and The Salvation Army, a California Corporation (hereinafter "T.S.A."), sets forth the terms and conditions under which T.S.A. will provide the services described herein. Lodi and T.S.A. agree as follows:

SCOPE OF SERVICES

T.S.A. agrees to administer the *Lodi CARE Package* pilot project for the City of Lodi, in strict conformity with the terms and conditions of this contract. T.S.A. will provide the following services to Lodi under this agreement:

- ✓ Maintain and monitor a customer grant budget of \$84,000, which concludes August 30, 2005, or sooner, if funds are depleted (*see 'Terms of Agreement' below for additional guidelines*);
- ✓ Provide all customer interface, screening for customer eligibility (pursuant to the eligibility requirements set forth in Exhibit "A,") and approve customer participation for a customer grant under this pilot program, for benefits at those levels prescribed in Exhibit "B";
- ✓ Notify the City of Lodi Finance Department through a designated procedure any/all customers approved for a "grant" under this pilot program;
- ✓ Notify the City of Lodi Electric Utility on a bi-monthly basis, and provide the utility with the names of those approved customers participating in this pilot program;
- ✓ Maintain and monitor, in conjunction with the City of Lodi Electric Utility, a \$16,000 (not to exceed figure) pilot program administrative budget.

TERMS OF AGREEMENT

The term of this agreement shall be from the earliest possible implementation date after Lodi City Council approval, through August 30, 2005, or until the entire \$105,000 pilot program budget has been expended. *A. In the event that the customer "grant" monies (which total \$84,000) are exhausted prior to 8/30/05, and there are funds left in T.S.A. administration budget (which total \$16,000), T.S.A. will return all remaining funds to Lodi. B. In the event that T.S.A. administration budget is exhausted prior to 8/30/05, and there are funds remaining in the customer "grant" budget, Lodi will retain the option of continuing the pilot program and pay T.S.A. for its additional administrative costs.*

(Note: the additional \$5,000 allocated for this pilot project is for material production and other administrative costs.)

ADVERTISING, MARKETING, AND PUBLIC RELATIONS

All advertising, marketing and/or public relations will be the sole responsibility of Lodi, which includes all costs associated with any promotional material and/or ad campaigns, as well as costs associated with the development and production of program brochures and program participant applications. T.S.A. agrees to provide consulting services to Lodi on potential market groups or targeted audiences.

INSURANCE

For actions performed under this agreement, T.S.A. agrees to maintain all necessary insurance requirements set forth by Lodi (as identified in the instructions/requirements for insurance coverage page).

CONTRACT PRICE AND TERMS

T.S.A. will invoice for all administrative work performed at a rate of \$1,333.00 per month for this project. The total administrative budget for this pilot project is set at \$16,000.00 (not to exceed figure). In addition, T.S.A. will manage the distribution of the customer “grant” monies, which total \$84,000 in this pilot program. Invoices will be submitted to Lodi the first of each month, payable within thirty (30) days of the invoice date.

COMPLIANCE WITH LICENSES-

(NOTE: No additional anticipated licenses required to comply with this project.)

INDEMNITY CLAUSE

T.S.A. shall indemnify, defend, and hold harmless the City of Lodi, the City of Lodi Electric Utility, its City Council, Directors, Officers, Agents, and employees against all claims, loss, damage, expense, and liability arising out of, or in any way connected with the performance of this contract and excepting only such loss, damage, or liability as may be caused by the intentional acts or sole negligence of the City of Lodi, and the City of Lodi Electric Utility.

**LODI CARE PACKAGE
CONTRACT ACCEPTANCE**

THE ABOVE TERMS AND CONDITIONS ARE AGREED UPON, AND ACCEPTED
ON THIS _____ DAY OF AUGUST, 2004.

The Salvation Army

City Manager, City of Lodi

City Attorney, City of Lodi

SEAL OF CITY OF LODI CLERK

Lodi CARE Package

EXHIBIT “A”

Eligibility Requirements:

- must meet income guidelines as established in Exhibit “B;”
- customer has *not* received assistance through the Lodi CARE Package Program in the past six (6) months;
- customer must present (in person) appropriate documentation of the following in order to qualify for a relief payment-
 - current City of Lodi utility statement;
 - ID/Social Security Cards for ALL members of the household, and driver’s license or California ID card of the person listed on the utility account;
 - proof of current income (i.e.: pay stub, grant letter, etc.)- handwritten notes are *not* acceptable;
 - copy of rental agreement;
 - proof of unexpected expenses (within the last sixty days), resulting in the inability to or hardship in paying City of Lodi utility account;
 - City of Lodi receipt for customer’s co-payment, if applicable/necessary;
- customer must consent to a free, in-home energy audit, once their relief payment has been approved.

Lodi CARE Package

EXHIBIT "B"

Benefit Levels:

- \$125.00 per eligible customer service address/account;
- one relief payment in a six-month period; no more than two (2) relief payments in 12 months.

Lodi CARE Package Income Levels:

> 1-2	persons in household	\$16,000 (maximum)
> 3	persons in household	\$20,000 (“ ”)
> 4	persons in household	\$25,500 (“ ”)
> 5	persons in household	\$31,000 (“ ”)
> 6	persons or more in household	\$36,500 (“ ”)

filed 8-4-04

Lodi City Council

August 4, 2004

Proposed Lodi C.A.R.E. Package

- **proposed start date: September 1, 2004**
- **proposed budget: \$105,000 (funds to be provided from various sources)**
- **the proposal provides a maximum relief payment of \$125**

- **Eligible customers may receive a relief payment once every six months**
- **The Lodi C.A.R.E. (Customer Assistance & Relief on Energy) Package is designed to assist Lodi residents that are below the existing federal income guidelines. The package will assist these customers with paying their monthly City of Lodi utility bill**

➤ **Eligibility Requirements:**

- **must meet income guidelines as established for this program**
- **customer must present- in person- appropriate documentation of the following:**
 - **current City of Lodi utility statement**

- **ID/Social Security Cards for ALL members of the household, and a driver's license or California ID card of the person listed on the utility account**
- **proof of income (such as a pay stub or grant letter)**
- **copy of rental agreement (if applicable)**

- **proof of unexpected expenses, resulting in the inability to, or hardship, in paying City of Lodi utility account**
- **City of Lodi receipt for customer's co-payment, if applicable/necessary**
- **customer must consent to a free, in-home energy audit, once their relief payment has been approved**

Proposed Lodi C.A.R.E. Package income guidelines:

* 1-2 persons	\$16,000 (maximum)
* 3 persons	\$20,000 (maximum)
* 4 persons	\$25,500 (maximum)
* 5 persons	\$31,000 (maximum)
* 6 persons	\$36,500 (maximum)

➤ **The Lodi C.A.R.E. Package is a partnership which involves several organizations, including:**

- **Central Valley Waste**
- **City of Lodi Electric Utility**
- **City of Lodi Finance Department**
- **City of Lodi Public Works**
- **Salvation Army**

- **The Lodi C.A.R.E. Package is *different* from the existing SHARE electric utility rate discount currently provided to low-income families**

- **Other programs and services are available to families or individual customers in need, including:**
 - **State of California's H.E.A.P. program**

- **PG & E's REACH Program**
- **City of Lodi's Senior Rate Discount, the Medical Rate Discount, OR the All-Electric Rate Discount- all provided through the Electric Utility Department**
- **City of Lodi's SSI & SSP Recipient Discount**
- **Refuse Rate Reduction Program**