

COVID-19 Update

March 30, 2020

Item 18





Impacts of COVID-19

> Major economic disruption

- Businesses forced to close for an undetermined period of time
- Hotel occupancy down to 10% from 80%
- Rapid increase in unemployment

> City's options are limited

- Reduction in General Fund revenues that support provision of City services; increased debt service, RBOC and PCOC revenue impacts
- Potential gift of public funds issues related to direct assistance
- Typically support is provided by state and federal resources

> Actions to date

- Eviction protection extended to businesses
- Resource information made available to local businesses
- Support for local, independent restaurants through website



Staff Proposal

- > Utilize funding provided by electric rate-payers in the Underground Surtax Fund to provide a local economic stimulus
 - Surtax Fund provides for the construction and extension of underground utility lines; street light improvements in connection with such conversions; and replacement and repair of underground utility lines (PMC Chapter 4.24)
 - Surtax is roughly 4% of customer electric charges
 - Current Fund Balance well in excess of project needs
- > Suspend collection of Underground Surtax for six months
- > Provide 2-year rebate to all electric customers
 - Approximately 66,500 customers



Underground Surtax Fund

6/30/2019 - Cash Balance	52,000,572
FY20 Appropriations	(6,311,665)
FY20 Revenue	4,249,728
Net Available	49,938,635
<i>2 Year Rebate</i>	<i>(11,400,000)</i>
Balance 6/30/20	38,538,635
FY 21 Proposed CIP	(5,850,000)
FY 21 Revenue (half year)	2,000,000
6/30/21 Balance	34,688,635
FY 22-25 Revenue	20,000,000
FY 22-25 anticipated CIP	(47,353,241)
6/30/25 Estimated Balance	7,335,394



Estimated Benefit to Customers by Class

Residential

FY 2019 Monthly Avg Use (kWh)	Est. Monthly Avg Electric Chgs	Est. Monthly Avg UUG Charge	Est. Annual Avg UUG	Proposed 2 year rebate
350	\$60	\$2.60	\$31	\$62
500	\$99	\$4.30	\$52	\$103
750	\$164	\$7.12	\$85	\$171
1,000	\$219	\$9.52	\$114	\$228

Local Restaurants - Small and Medium Commercial

Small

12,572	\$2,244	\$89.42	\$1,073	\$2,146
23,286	\$3,445	\$133.87	\$1,606	\$3,213

Medium

Large Commercial

Medical Facility (sm/md)

114,571	\$21,137	\$583.86	\$7,006	\$14,013
469,500	\$65,260	\$1,172.55	\$14,071	\$28,141
497,250	\$68,710	\$1,214.29	\$14,571	\$29,143

Professional Services Firm

Hotel Property



Next Steps

- > Return to Council for formal recommendation and approval
- > Issuance of checks could begin as early as two weeks to 66,500 electric customers