



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#26-0077

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Rickelle Williams, City Manager

DATE: February 3, 2026

TITLE: Motion Approving an Interlocal Agreement with the Housing Authority of the
City of Fort Lauderdale to Allow Designated Housing Authority Vehicles to
Obtain Fuel Using the City-Owned Fuel Islands – (Commission Districts 1,
2, 3 and 4)

Recommendation

Staff recommends the City Commission approve a motion to adopt an Interlocal Agreement (ILA) between the City of Fort Lauderdale (City) and the Housing Authority of the City of Fort Lauderdale (HACFL), in substantially the form attached, to formalize the existing arrangement allowing HACFL to fuel designated housing authority vehicles at City-owned fuel islands.

Background

HACFL has been fueling at the City's fueling system for approximately thirty (30) years. This long-standing informal arrangement allowed HACFL to purchase gasoline at rates lower than retail gas stations as a result of the City's tax exemptions.

HACFL's fuel usage represents approximately one-half of one percent (0.5%) of the City's total annual fuel consumption, and fuel is provided at cost with no markup, resulting in no additional fuel expense or operational impact to the City. HACFL's fuel usage for Fiscal Years 2023 – 2025 is provided in the table below.

| Fiscal Year (FY) | Gallons of Fuel |
|-------------------------|------------------------|
| FY 2023 | 11,121 |
| FY 2024 | 8,143 |
| FY 2025 | 5,631 |

The downward trend in fuel usage reflects HACFL's ongoing transition to more fuel-efficient vehicles as older fleet assets are replaced. In FY25, HACFL was billed \$15,772.89 for fuel at the City's cost rate, representing an average cost of approximately \$2.80 per gallon. For comparison purposes only, the average retail gasoline price during the same period was approximately \$3.00 per gallon, as reported by the U.S. Energy Information Administration.

In 2024, the City Auditor's Office completed an internal audit focused on the City's fleet fueling operations. The audit report included a finding (Finding 4) that the City lacks a formal agreement for fuel consumption and billing with HACFL. The finding identifies that HACFL, a related but separate organization, has fifty-eight (58) active user profiles with card access. The absence of a written agreement creates potential liability concerns for the City due to a lack of clear terms for fuel access, billing, and accountability. Further, the City Auditor recommended that the City Manager work with the Public Works Director to establish a formal agreement with HACFL addressing the guidelines for fuel consumption, the corresponding billing procedures and rates, and the management of active user profiles.

City staff acknowledged the findings and created a corrective work plan to address the issue. The corrective work plan identified that the Public Works Department, specifically Fleet Services Division, will work with the City Attorney's Office to draft an Interlocal Agreement to define the terms and conditions for HACFL to utilize the City's fueling system. The corrective work program included an eighteen (18)-month period, which aimed to provide the City Commission with an ILA for consideration by the end of January 2026 and an executed agreement with HACFL by the end of April 2026.

The ILA addresses audit compliance requirements while protecting City assets and formalizing billing procedures. HACFL will continue to be charged for gasoline at the City's cost, and the City will submit monthly invoices to HACFL. The ILA includes a thirty-six (36)-month term that automatically renews annually unless either party chooses to terminate by providing a thirty (30)-day written notice.

The proposed ILA establishes the framework for HACFL's fuel access, including:

- Requirements for HACFL employees to complete authorization forms and obtain supervisor approval;
- Monthly billing from the City to HACFL for fuel consumed;
- Guidelines for proper fuel dispensing and safety protocols;
- Accountability measures for lost or damaged fuel fobs; and
- Indemnification provisions protecting the City from liability.

Resource Impact

There is no fiscal impact associated with this action.

Strategic Connections

This item supports the Advance Fort Lauderdale 2040 Comprehensive Plan, specifically advancing:

- Infrastructure: Supporting a sustainable and resilient community through formalized intergovernmental coordination
- Internal Support: Leadership and fiscal responsibility through audit compliance and proper governance practices

Attachments

Exhibit 1 – Interlocal Agreement

Exhibit 2 – Audit Compliance Report Finding 4

Prepared by: Drew Newstrom, Fleet Program Manager, Public Works

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