



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING

#24-0984

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

FROM: Susan Grant, Acting City Manager

DATE: November 7, 2024

TITLE: Discussion on Applications for Utility Services, Owner vs. Tenants
(Commission Districts 1, 2, 3 and 4)

After extensive discussions on the balance of the uncollectible utility bills, the Budget Advisory Board (BAB) recommended staff review the Utility Billing Outstanding Receivables to identify any discernible patterns contributing to the higher-than-desirable balances.

In response to the BAB's direction, staff reviewed the current ordinance and identified tenant utility account ownership as a significant barrier to effective receivables collection.

The City's current ordinance (Section 28-138) allows owners, agents, tenants or consumers to establish water, sewer and sanitation services. When an owner establishes service, the City effectively maintains the ability to seek collections on delinquent accounts. This includes the increased enforceability to place a water lien against the property. If receivables are not collected during the normal course of business or through collection activities, the City gets another opportunity to collect when the property is sold or refinanced.

The practice of allowing tenants to establish accounts in their name eliminates the lien stop-gap protection, which significantly limits the City's legal recourse to aggressively enforce collections on outstanding tenant accounts. Additionally, this balance continues to grow in materiality. The City has an obligation to take all reasonable / appropriate business steps to secure system revenues for the repayment of associated debt, and by extension to proactively address the uncollectible accounts receivable balances.

Therefore, staff is bringing forth for discussion a change in the ordinance to not allow tenants to open accounts. The result of the requested change will make the owner of the property solely responsible for establishing and paying monthly utility bills. This will also allow the City to maintain the ability to use the lien-stop-gap protection to provide added enforceability in its collection efforts. The change would only effect new accounts, current accounts would be grandfathered in.

Resource Impact

There is no current fiscal impact associated with this action.

Attachment

Exhibit 1 – Presentation – Delinquent Utility Billing Accounts Receivable Discussion

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