

# City of Fayetteville Staff Review Form

**2020-0778**

**Legistar File ID**

**10/6/2020**

**City Council Meeting Date - Agenda Item Only**  
**N/A for Non-Agenda Item**

Paul Becker

9/16/2020

CHIEF FINANCIAL OFFICER (110)

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Submitted By

Submitted Date

Division / Department

## **Action Recommendation:**

Staff recommends approving temporary ordinance changes to the Water and Sewer and Recycling and Trash Collection ordinances to temporarily suspend service cut off and the accruing of late charges on City utility bills for non-payment due to the inability to pay utility bills during the Covid-19 pandemic.

## **Budget Impact:**

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XXXX

Water/Sewer, Trash and Recycling

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Account Number

Fund

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XXXX

N/A

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Project Number

Project Title

**Budgeted Item?** No

Current Budget

\$ \_\_\_\_\_ -

Funds Obligated

\$ \_\_\_\_\_ -

Current Balance

\$ \_\_\_\_\_ -

**Does item have a cost?** No

Item Cost

**Budget Adjustment Attached?** No

Budget Adjustment

\$ \_\_\_\_\_ -

Remaining Budget

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Purchase Order Number: \_\_\_\_\_

V20180321  
Previous Ordinance or Resolution # \_\_\_\_\_

Change Order Number: \_\_\_\_\_

Approval Date: \_\_\_\_\_

Original Contract Number: \_\_\_\_\_

Comments:



**MEETING OF OCTOBER 6, 2020**

**TO:** Mayor and City Council

**THRU:** Mayor: Lioneld Jordon

**FROM:** Paul Becker, Chief Financial Officer

**DATE:** September 16, 2020

**SUBJECT:** Staff recommends approving temporary Ordinance Changes to the Water and Sewer and Recycling and Trash Collection Ordinances which will delay service cut off and the accruing of late charges on City Utility Bills for non-payment due to the inability to pay bills during the Covid-19 pandemic. This would include the payment of a customer deposit required for new service if the customer does not have the funds to pay that at the time of service connection.

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**RECOMMENDATION:**

To delay shut-off of utility services to customers who are unable to pay outstanding bills during the Covid-19 Pandemic. Also, to prohibit the charging of penalties for non-payment due to the inability to pay service fees during the pandemic. This would also include a temporary delay of security deposits on new accounts if the customer does not have the funds to post the deposit at the time of the service request if required.

**BACKGROUND / Discussion:**

During the initial phase of the Covid-19 pandemic pursuant to the Mayor's emergency powers, an administrative decision was made to suspend utility service cut-offs for customers for nonpayment balances due to the lack of funds because of the necessity of hand and body washing which prevents the spread of the virus. It was also decided not to accrue penalties for non-payment and to extend utility services to new customers even though they could not post a required deposit because of lack of funds. This measure was intended to be for a short duration as it was thought that the pandemic would not extend past the summer months.

The Mayor's emergency powers have terminated; however, the pandemic has not only remained, but the number of cases has increased. Since many of our current customers cannot pay the balances on their accounts due to a lack of funds, the administration is requesting the Council formally approve the temporary suspension of utility service cut-offs, accruing of penalties and posting of service deposits if caused by the customers inability to pay account balances due to the pandemic. The administration is requesting these measures be in effect until pandemic disaster emergency declared by the Governor has ended.

**BUDGET/STAFF IMPACT:**

This will result in a potential loss due to debt incurred that cannot be paid at all in the future. However, the Water and Sewer Fund and Recycling Funds should have sufficient funds at this time to sustain a manageable bad debt write off.

**Attachments:**

None



## DEPARTMENTAL CORRESPONDENCE

OFFICE OF THE  
CITY ATTORNEY



Kit Williams  
City Attorney

Blake Pennington  
Assistant City Attorney

Jodi Batker  
Paralegal

TO: **Mayor Jordan**  
**City Council**

CC: **Susan Norton**, Chief of Staff  
**Paul Becker**, Finance Director

FROM: **Kit Williams**, City Attorney

DATE: **September 22, 2020**

RE: **Temporary suspension of cut-offs of water, wastewater, trash and recycling services, security deposit requirements, and late fees**

After the Covid-19 virus pandemic disaster emergency was proclaimed by both Governor Hutchinson and Mayor Jordan in mid-March, the City began having a substantial increase in the number of its customers not being able to pay their water bills in full and on time. Even though the City always regrets having to turn off water to customers not fully and timely paying their bills, the Covid-19 pandemic caused two new major problems.

The massive economic downturn, the tens of millions of Americans losing their employment, and the vital need of our citizens for clean water and sanitation services meant that temporarily suspending water, wastewater, and trash services cut-offs for not paying the bills needed to be instituted for the health, safety, and peace of our citizens. Mayor Jordan acted pursuant to the Mayor's statutory powers and the City Council's provision of emergency powers to the Mayor through its emergency pandemic ordinance.

The Mayor's power to temporarily stop cut-offs of utility services if caused by the pandemic also rested in part on his power to use City

employees as he believed to be in the best interests of our citizens. Having the employees refrain from turning off the water for our citizens (even if late or not paying the full amount due) was in the best interest of all of our citizens during this pandemic. The Mayor also stopped the accrual of late payment charges and even the requirement for security deposits for new service if a potential customer could not pay due to adverse economic or health problems caused by the pandemic emergency.

As this pandemic drags on with likely many months to go before the pandemic emergency is over, Mayor Jordan wants to include the City Council in on his decision to maintain the suspension of water shutoffs due to the Corona Virus pandemic and its economic problems. The Mayor realizes that this temporary shut-off moratorium cannot last much beyond the end of the pandemic emergency and its economic disaster of tens of millions of unemployed citizens. Once this pandemic and its economic problems for Fayetteville's citizens and customers of our utility have subsided, the City will work with these customers to again require full collection of ongoing water bills while trying to take reasonable accommodation measures to begin collecting overdue water bills.

Unless you want this shut-off forbearance to end right now, you should support the proposed ordinance which will continue this forbearance and keep water, sewer, trash, and recycling services available for our residents until the pandemic emergency is over.