

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)

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:

XXXX	Water/Sewer, Trash and Recycling
Account Number	Fund
XXXX	N/A
Project Number	Project Title
Budgeted Item? <u>No</u>	Current Budget \$ -
	Funds Obligated \$ -
	Current Balance \$ -
Does item have a cost? <u>No</u>	Item Cost
Budget Adjustment Attached? <u>No</u>	Budget Adjustment
	Remaining Budget \$ -

V20180321

Purchase Order Number: _____

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.

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



OFFICE OF THE
CITY ATTORNEY

DEPARTMENTAL CORRESPONDENCE



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.