



LETTER TO THE COMMISSION

LTC No: 26-111

TO: Honorable Mayor and Members of the Fort Lauderdale City Commission
FROM: Rickelle Williams, City Manager *RW*
DATE: April 17, 2026
SUBJECT: Fuel Supply Update

The purpose of this Letter to the Commission (LTC) is to provide an update on current fuel market conditions, supply outlook, and the potential budget impacts for the City of Fort Lauderdale Public Works Fleet Services Division as it relates to supply chain disruption and ongoing emergency preparedness.

Fuel Capacity

The City purchases approximately 1,100,000 gallons of gasoline and 250,000 gallons of diesel annually, making fuel one of the City’s most significant operating expenses. The City’s supplier, Port Consolidated, is the largest distributor in Florida, the Caribbean, and Latin America.

To ensure operational reliability, the Fleet Services Division maintains full fuel tanks year-round. Daily consumption patterns and scheduled deliveries are tracked precisely to be able to predict when the City will reach the consumption threshold to refuel, which is 7,500 gallons for diesel and 9,000 gallons for gasoline. This is a data-driven process, not an estimate.

Below is a table representing the storage capacity at each location.

Site	Location	Capacity (gallons)	
		Gas	Diesel
Lauderdale Memorial Cemetery	2001 SW 4 Avenue	450	450
Fleet	220 SW 14 Avenue	54,000	18,000
Station 53/ EOC	2200 Executive Airport Road		3,600
38 th Street/ Fiveash	949 NW 38 Street	54,000	18,000
Port/ GTL	1401 SE 21 Street		9,000

Current Market Conditions

As summarized below, Port Consolidated, highlighted several key factors affecting the City related to the Strait of Hormuz shipping channel:

- Fuel supply is already constricted due to earlier Middle East gulf coast fog, with some areas experiencing daily product shortages;
- Prices are expected to remain elevated if geopolitical conditions persist, but could decrease rapidly if resolved;
- There may be motivation to stabilize the situation before the June–July driving season; and
- The most significant risk is a potential act of terrorism targeting refineries or vessels, which could drive crude oil prices to \$200 per barrel—effectively doubling current fuel costs.

Fuel Usage and Management Practices

The City hedges eighty percent (80%) of its annual fuel volume, which significantly reduces exposure during price spikes. For example, a two dollar (\$2.00) per-gallon market increase equates to a forty cents (\$0.40) per gallon increase on the hedged portion. However, hedge credits are returned ninety (90) days after payment, so the full short-term impact does not appear in current spending.

Over the last six (6) weeks, diesel prices have increased by sixty-seven percent (67%), which is a two dollar and four cents (\$2.04) per gallon increase. Gasoline prices have increased by forty-four percent (44%), which is a one dollar and nine cents (\$1.09) per gallon increase. Oil, historically ranging from fifty-five to seventy-three dollars (\$55–\$73) per barrel, is now at \$107.62.

Based on current conditions, City staff project that fuel funding may be exhausted before the end of Fiscal Year (FY) 2026. As needed, staff will recommend or implement the appropriate budget adjustments to ensure continuity of operations.

An analysis prepared by City staff, including usage, pricing, and projected exhaustion dates, is provided below.

Fuel Type	Funds Remaining on 3/30/26	Average Fuel Usage per month (gallons)	Average Fuel Usage per day (gallons)	No. of Days Remaining until end of FY	Current Fuel Price	Days Funds Remain	Date of Funds Exhaust
Gasoline	\$1,187,746.96	95,864	3,195.47	183	\$3.56	104.4	7/13/2026
Diesel	\$430,665.79	21,687	722.9	183	\$5.08	117.3	7/26/2026

Supply Reliability & Emergency Preparedness

Port Consolidated has assured City staff that fuel availability for the City of Fort Lauderdale is secure. Key points include:

- Fort Lauderdale's supply will be protected due to contractual obligations with government agencies and coordination with Emergency Management;
- Contracts are maintained with all providers to ensure product availability;
- Under normal conditions, port reserves will cover eight to ten (8-10) days; during emergency demand surges, this may drop to seventy-two (72) hours;
- Efforts are underway to increase reserve capacity; and
- Current vulnerabilities stem from the national just-in-time supply chain model.

The Public Works Fleet Services Division will continue to monitor pricing and consumption trends and provide updates should conditions materially change.

Should you have any questions or concerns, please contact Brad Kaine, Director of Public Works, at bkaine@fortlauderdale.gov or 954-828-5806.

c: Shari McCartney, City Attorney
David R. Soloman, City Clerk
Patrick Reilly, City Auditor
City Manager's Office
Department Directors