



## AGENDA MEMORANDUM

First Reading of Ordinance City Council Meeting September 06, 2022  
Second Reading of Ordinance City Council Meeting September 13, 2022

**DATE:** September 1, 2022  
**TO:** Peter Zaroni, City Manager  
**FROM:** Eddie Houlihan, Director of Management & Budget  
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Appropriate \$2,000,000 of anticipated revenues and expenditures in the Fleet Maintenance Fund due to increased fuel costs

### **CAPTION:**

Ordinance amending the FY 2021-22 Operating budget to appropriate \$2,000,000 of anticipated revenues and expenditures in the Fleet Maintenance Fund due to increased fuel costs.

### **SUMMARY:**

This ordinance amends the Fleet Maintenance Fund's FY 2021-22 Budget to increase both revenues and expenditures due to increased fuel costs.

### **BACKGROUND AND FINDINGS:**

Fleet Maintenance purchases and sells approximately 1.4 million gallons of fuel annually. Total gallons sold is comprised of 560,000 gallons of unleaded fuel and 840,000 gallons of diesel fuel. At the time of FY 2021-22 budget preparation fuel cost were \$1.95 per gallon for Unleaded Fuel and \$2.05 per gallon for Diesel Fuel. Currently, fuel costs are \$2.73 per gallon for Unleaded Fuel and \$3.96 per gallon for Diesel Fuel. The FY 2021-22 Fleet Maintenance fuel budget needs to be increased due to higher fuel costs and revenue will be increased since Fleet Maintenance will charge departments based on current prices.

### **ALTERNATIVES:**

City Council could choose to not appropriate the \$2,000,000 in anticipated revenues and expenditures but the Fleet Maintenance Fund would not be able to purchase fuel for the City's fleet due to an insufficient budget.

### **FISCAL IMPACT:**

The fiscal impact will be an increase in revenues and expenditures of \$2,000,000 each in the Fleet Maintenance Fund in FY 2021-22 budget.

**Funding Detail:**

**Revenue**

Fund: 5110  
Organization/Activity: 40170  
Mission Element: 888  
Project # (CIP Only):  
Account: 326040

**Expenses**

Fund: 5110  
Organization/Activity: 40140  
Mission Element: 201  
Project # (CIP Only):  
Account: 520210

**RECOMMENDATION:**

City staff recommends approval of the ordinance appropriating anticipated revenues and expenditures in the Fleet Maintenance Fund.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance