



DATE: June 21, 2022

TO: Mayor and City Council

FROM: Maintenance Services Director

SUBJECT: Adopt a Resolution Authorizing an Amendment to the FY 2022 Operating Budget for Fleet Management Fund (Fund 735) to Increase the Annual Appropriation in the Maintenance Services Department Budget by \$195,000 Through Use of Existing Funds

RECOMMENDATION

That Council adopts a resolution (Attachment II) approving an amendment to the FY 2022 budget for Fleet Management Fund (Fund 735), through use of existing fund balance to increase the overall annual appropriation by \$195,000 for anticipated bulk fuel expenses through June 30, 2022.

SUMMARY

The Maintenance Services Department requests an additional appropriation of existing fund balance in the amount \$195,000 in the Fleet Management Fund (Fund 735) for unanticipated bulk fuel expenses. There will be no impact to the General Fund due to this increase.

BACKGROUND AND DISCUSSION

Maintenance Services Fleet Division manages the City's fuel usage in all City-owned vehicles and equipment. While fuel is Fleet's largest operating expense, normal price fluctuations can typically be absorbed within the appropriated budget. Unfortunately, current global market conditions have seen the price of traditional gasoline and diesel double in cost when compared to recent fiscal years. The current budgeted bulk fuel amount of \$950,000 will be expended prior to the end of FY 2022, to continue bulk fuel deliveries uninterrupted through June 30, 2022, an additional appropriation of \$195,000 is requested.

The continued rise in global fuel prices has resulted in increased costs that will exceed the original Fleet Management Fund (Fund 735) FY 2022 budget appropriation of \$4,032,365 established by Resolution 21-100.

Staff seeks Council approval to increase the expenditure appropriation for bulk fuel purchases by an additional \$195,000, for a total revised budget of \$1,145,000 for bulk fuel used by the City's fleet of public safety and miscellaneous vehicles.

FISCAL IMPACT

There is no fiscal impact to the General Fund. The additional \$195,000 of appropriated funds in the Fleet Management Fund (Fund 735) will be appropriated from fund balance.

STRATEGIC ROADMAP

This agenda item is a routine operational item that does not directly relate to any of the six priorities outlined in the Council's Strategic Roadmap.

NEXT STEPS

Should Council approve this action, staff will prepare a Budget Adjustment Form to request the appropriation of funds.

Prepared and Recommended by: Todd Rullman, Director of Maintenance Services

Approved by:

A handwritten signature in black ink, appearing to read 'Kelly McAdoo', with a long horizontal stroke extending to the right.

Kelly McAdoo, City Manager