

City of Fayetteville Staff Review Form

2022-0620

Legistar File ID

9/6/2022

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

Kevin Springer

8/17/2022

BUDGET & INFORMATION MGMT (133)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

A RESOLUTION TO APPROVE A BUDGET ADJUSTMENT IN THE AMOUNT OF \$1,738,000 TO COVER CITYWIDE FUEL PURCHASES THROUGH THE END OF 2022.

Budget Impact:

xxxx.xxx.xxxx-5213.xx		Citywide	
Account Number		Fund	
Project Number		Project Title	
Budgeted Item?	Yes	Current Budget	\$ 3,244,207.00
		Funds Obligated	\$ 2,600,463.05
		Current Balance	\$ 643,743.95
Does item have a cost?	No	Item Cost	\$ -
Budget Adjustment Attached?	Yes	Budget Adjustment	\$ 1,738,000.00
		Remaining Budget	\$ 2,381,743.95

V20210527

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF SEPTEMBER 6, 2022

TO: Mayor and City Council

THRU: Paul A Becker, Chief Financial Officer

FROM: Kevin Springer, Budget Director

DATE: August 17, 2022

SUBJECT: **Approval of a Budget Adjustment to cover Citywide Fuel purchases for the remainder of 2022.**

RECOMMENDATION:

Staff recommends approval of a budget adjustment in the amount of \$1,738,000.00 for the purchase of citywide fuel in the Unleaded/Diesel accounts due to increased price of fuel.

BACKGROUND:

The budgeting and allocation for fuel expense is done in two different areas.

- Fleet Operations handles the direct purchase of fuel within inventory accounts in the Shop Fund.
- The other City departments obtain their fuel from internal pumps and then Fleet allocates charges to their individual fuel accounts which results in revenue received into the Shop Fund.

DISCUSSION:

The total amount of fuel expense at the end of July 2022 is up by 62% compared to July 2021 which directly corresponds to the average cost of fuel increasing by the same percentage. When budgeting fuel, the City uses an average \$3.57/gallon rate. Fuel reached a high of \$4.78/gallon in July 2022. Because of that, we are estimating \$5.00/gallon for the remaining months in 2022.

BUDGET/STAFF IMPACT:

The requested budget adjustment equals \$1,738,000 in total. \$1,020,000 is going into the Shop Fund and will be 100% covered in revenue; the additional \$718,000 will be allocated to the other divisions and will be covered with fund reserves. Below is a summary of the budget adjustment by Fund.

AREA / FUND	BUDGET ADJUSTMENT
FUEL INVENTORY:	
9700 - Shop	1,020,000
FUEL INVENTORY: Total	1,020,000
FUEL USAGE BY DIVISION:	
1010 - General	172,300
2100 - Street	32,700
2130 - Parking	200
2250 - Parks Development	24,500
5400 - Water and Sewer	250,000
5500 - Recycling and Trash Collection	238,000
5550 - Airport	300
FUEL USAGE BY DIVISION: Total	718,000
Grand Total	1,738,000

Attachments:
Budget Adjustment