



# CITY OF CARSON

## Legislation Text

File #: 2022-358, Version: 1

### Report to Mayor and City Council

Tuesday, May 17, 2022

Consent

#### **SUBJECT:**

**CONSIDER RESOLUTION NO. 22-088 TO TRANSFER FUNDS INTO THE 2021-22 FISCAL YEAR GENERAL FUND PUBLIC WORKS FUEL BUDGET FOR THE CITY'S FLEET FUEL TO ACCOUNT FOR RISING FUEL PRICES**

#### **I. SUMMARY**

Southern Counties Oil Company, dba SC Fuels ("SC Fuels") has been providing the City with bulk fuel (gasoline and diesel) since July 1, 2012. The recent rise in fuel costs to record levels have nearly depleted the budget for fueling services. Staff is requesting the Council to approve a resolution to allow a budget transfer of \$71,000.00 to augment the recent increase of fuel usage within the City.

#### **II. RECOMMENDATION**

APPROVE Resolution 22-088 "A RESOLUTION OF THE CITY OF CARSON CITY COUNCIL AMENDING THE 2021-22 FISCAL YEAR GENERAL FUND PUBLIC WORKS FUEL BUDGET FOR THE CITY'S FLEET FUEL TO ACCOUNT FOR RISING FUEL PRICES" (Exhibit No. 1)

#### **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate.

#### **IV. BACKGROUND**

The City's Fleet Division is responsible for the fueling contract with SC Fuels. The City entered into a 5-year agreement for the bulk provision of gasoline and diesel fuel from July 1, 2018, through June 30, 2023, for an average amount of \$250,000 per year.

A recent staff analysis showed that fuel costs increased a total of 29% for unleaded fuel and 12% for diesel fuel over the previous three invoices. Fuel pricing and the ride-sharing restrictions due to COVID-19 (staff not allowed to share vehicles in order to maintain social distancing) will continue to drive higher costs. As a result, the current budget would be exhausted by mid-May if fuel rates continue to increase.

There is approximately \$169,440.90 available on the SC Fuel contract minus the allocation for FY 2022-23 budget. Of the \$169,440.90 available, Public Works is requesting the transfer of \$71,000 for Unleaded and Diesel fuel.

## **V. FISCAL IMPACT**

Funds were budgeted at the historical amount of \$250,000 in the FY2021-22 General Fund budget for fuel services in accounts 101-80-840-275-7006 for unleaded and 101-80-275-7005 for diesel. The additional \$71,000 request would bring the total appropriation to \$321,000 for FY2021-22. If approved, it would appropriate \$65,000 to account 101-80-840-275-7006 for unleaded and \$6,000 to account 101-80-840-275-7005 for diesel.

## **VI. EXHIBITS**

1. Resolution No. 22-088

1.

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