

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATIONS**

CC: 11C  
Amend No. \_\_\_\_\_

Date Prepared: May 7, 2008      Council Meeting Date: May 20, 2008

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To: Terrence L. Ellis, City Manager  
From: William Mattingly, Public Works Director *WJM*  
Prepared by: Cathie Lutch, Management Analyst *CL*  
Subject: Budget Adjustment for Increased Fuel Costs in Fleet Services

**RECOMMENDATION:**

Staff recommends that the Mayor and Council approve a budget adjustment from the General Fund Contingency (1000-0300-570000) of \$225,000.00 to pay for increased fuel costs in Fleet Services.

**SUMMARY:**

Due to the volatility of fuel and other commodity prices, the Fleet Services Division is projecting a budget shortfall in bulk purchases for unleaded and diesel fuel for fiscal year 2008. Fleet Services has also incurred additional costs in other operating accounts which include motor vehicle repair, oil and lube. However staff is projecting sufficient savings in other budgeted line items to offset a portion of the fuel costs and the additional costs in motor vehicle repair, oil and lube. The recommended budget adjustment is therefore for increased appropriation for unleaded and diesel fuel only.

Staff has been tracking fuel expenditures on a continuous basis. The Public Works Department, in cooperation with the Budget Office, determined to defer a budget adjustment until later in the fiscal year in order to develop a more accurate year-end projection and avoid multiple adjustments.

Staff recommends that the Mayor and Council approve a budget adjustment from the General Fund Contingency (1000-0300-570000) in the amount of \$225,000.00 to the following Fleet Services accounts:

- Fleet Services Unleaded Fuel (3000-3420-531001) \$100,000.00
- Fleet Services Diesel Fuel (3000-3420-531002) \$125,000.00

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**CITY CLERK USE ONLY:**

- Consent Agenda
- Carry Over to Date: \_\_\_\_\_
- Approved
- Unfinished Business (Date heard previous: \_\_\_\_\_)
- New Business
- Public Hearing: No Action Taken

ORD. # \_\_\_\_\_ RES. # \_\_\_\_\_  
LCON# \_\_\_\_\_ LIC. # \_\_\_\_\_  
Action Date: \_\_\_\_\_