

# CITY OF HIGH POINT

## AGENDA ITEM



**Title: Fuel - Budget Ordinance**

**From:** Stephen M. Hawryluk  
Budget and Performance Manager

**Meeting Date:** June 6, 2022

**Public Hearing:** No

**Advertising Date /  
Advertised By:** N/A-

**Attachments:** Budget Ordinance

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**PURPOSE:**

To appropriate funds in the general fund and the central services fund to cover fuel costs for the remainder of the year due to increased prices.

**BACKGROUND:**

Since the beginning of the fiscal year, fuel costs have steadily risen, placing unanticipated strain on the fuel budgets for many city departments. In the spring of 2021, as the FY 2021-22 budget was under development, the cost of fuel was about \$1.61 per gallon (the city does not pay the 18.3 cents in federal gas taxes and the 38.5 cents in state gas taxes).

In the fall of 2021, the cost had risen to about \$2.16 per gallon. This past February, the city was paying about \$2.49 per gallon, in mid-March, the cost was \$3.16 per gallon, and in May, the cost was \$3.59. For reference, if taxes are included, it is the equivalent of prices rising from \$2.18 per gallon (spring 2021) to \$2.73 per gallon (fall 2021) to \$3.06 per gallon (February) to \$3.73 per gallon (mid-March) to \$4.16 per gallon (May).

Current budgets in the general fund and central services fund are insufficient to meet year-end projections. The proposed amendment appropriates \$534,000 to the general fund, covered by better-than-expected sales and use tax revenues. In addition, the proposed amendment appropriates an additional \$1,242,000 to Fleet Services, which purchases fuel for city departments and charges departments for its use.

**BUDGET IMPACT:**

Better than expected sales and use tax revenues will cover the increase to the general fund. The increased costs for all funds have been factored into the FY 2022-23 budget.

**RECOMMENDATION / ACTIONS REQUESTED:**

The Financial Services Department recommends and asks the City Council to approve the budget amendment.

"AN ORDINANCE AMENDING THE 2021-2022 BUDGET ORDINANCE  
OF THE CITY OF HIGH POINT, NORTH CAROLINA  
TO APPROPRIATE FUNDS TO COVER FUEL COSTS DUE TO INCREASED PRICES

Be it ordained by the City Council of the City of High Point, North Carolina, as follows:

Section 1. Since the beginning of the fiscal year, fuel costs have steadily risen, placing unanticipated strain on the fuel budgets for many city departments. In the spring of 2021, as the FY 2021-22 budget was under development, the cost of fuel was about \$1.61 per gallon. Currently, the city is paying about \$3.59 per gallon. The proposed amendment appropriates funds to cover these rising costs through the remainder of the fiscal year.

Section 2. The 2021-2022 Budget Ordinance of the City of High Point should be amended as follows:

(A) That the following General Fund revenues be amended as follows:

Sales and Use Taxes	\$534,000
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(B) That the following General Fund expenditures be amended as follows:

Fuel	\$534,000
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(C) That the following Fleet Services revenues be amended as follows:

Charges to Departments	\$1,242,000
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(D) That the following Fleet Services expenditures be amended as follows:

Fuel Purchases	\$1,242,000
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Section 3. That all ordinances, or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 4. That this ordinance shall be effective from and after its passage."

Adopted by High Point City Council, this the 6th day of June 2022

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Mayor, Jay W. Wagner

ATTEST

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Lisa B. Vierling,  
City Clerk