

CITY OF HIGH POINT

AGENDA ITEM

**Title: Fuel Budget Update – Information Item**

From: Stephen M. Hawryluk
Budget and Performance Manager

Meeting Date: April 14, 2022

Public Hearing: No

Advertising Date /
Advertised By: N/A

Attachments: None

PURPOSE:

To present an update on fuel costs.

BACKGROUND:

The City of High Point, in addition to consumers locally and nationwide, is experiencing effects of the increased costs of fuel. When developing the current year's (FY 2021-22) budget, effects on prices due to supply chain issues, staffing shortages, and geo-political crises could not be predicted. Demand post-pandemic peak has increased, but production has been slower to come back online.

Since the beginning of the fiscal year, fuel costs have steadily risen, placing unanticipated strain on the fuel budgets for many city departments. Staff will present information on the current year's fuel budget, provide comparisons in the price paid for fuel throughout the year, and outline next steps.

BUDGET IMPACT:

A budget amendment to cover additional costs for fuel will be forthcoming later this year.

RECOMMENDATION / ACTIONS REQUESTED:

There is no action requested. This item is for information purposes only.



CITY OF HIGH POINT FY 2021-22 FUEL UPDATE

Stephen M. Hawryluk
Budget & Performance Manager
Budget & Evaluation Division
Financial Services Department

BUDGETING FOR FUEL

- ▶ Accounting for fuel
- ▶ City of High Point does not pay federal or state gasoline taxes
 - ▶ Federal: 18.3 cents
 - ▶ State: 38.5 cents
- ▶ FY 2021-22 Fuel Budget = \$2.5 million
 - ▶ Budget based on an annual average of \$1.61 per gallon (\$2.18 consumer price at pump)

INCREASES IN FUEL COSTS

- Changes in fuel costs since Spring 2021

Period	City Cost	Consumer Cost
Spring 2021	\$1.61/gallon	\$2.18/gallon
Fall 2021	\$2.16/gallon	\$2.73/gallon
February 2022	\$2.49/gallon	\$3.06/gallon
March 2022	\$3.16/gallon	\$3.73/gallon

NEXT STEPS

- ▶ Continue to evaluate fuel costs
- ▶ Monitor department spending and project year-end estimates
- ▶ Budget amendment to cover additional costs
- ▶ Adjust budget for FY 2022-23
- ▶ Monitor costs and spending throughout FY 2022-23

QUESTIONS?