

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Public Works *mlm*

BOARD AGENDA # *B-16

Urgent

Routine

AGENDA DATE June 24, 2008

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval to Increase Appropriations and Estimated Revenue in the Public Works Morgan Shop Fund for the Purchase of Fuel

STAFF RECOMMENDATIONS:

Authorize the Auditor Controller to increase appropriations by \$44,000 and estimated revenue by \$40,700 as detailed in the financial transaction sheet.

FISCAL IMPACT:

Public Works Morgan Shop is an Internal Service Fund supported by charges to user departments. Per existing policy, an adjustment to budget requires approval from the Board of Supervisors. The recommended increase in appropriations by \$44,000 is expected to be offset by \$40,700 in estimated revenue that will result in the use of \$3,300 of Morgan Shop fund balance at year-end.

BOARD ACTION AS FOLLOWS:

No. 2008-474

On motion of Supervisor Monteith, Seconded by Supervisor Grover
and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, DeMartini and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval to Increase Appropriations and Estimated Revenue in the Public Works Morgan Shop Fund for the Purchase of Fuel

DISCUSSION:

Public Works Morgan Shop requests an increase of \$44,000 for the purchase of fuel (Account 66260). In addition, Morgan Shop has projected salary savings of \$30,000 that will also be transferred to the fuel account for a total of \$74,000. These adjustments would adequately fund fuel costs in the Public Works Morgan Shop budget through the end of the current fiscal year.

Morgan Shop provides fueling services that include diesel, unleaded, and compressed natural gas (CNG) to the remaining Public Works divisions and other County Departments. Public Works requested and received a budget adjustment in this account of \$130,000 as part of the Fiscal Year 2007-2008 Third Quarter Financial Report. However, since the third quarter budget review, the costs of fuel have continued to dramatically increase. At third quarter, the average cost of compressed natural gas (CNG) was \$1.13 per gallon, diesel was at an average cost of \$3.29 per gallon, and unleaded was at an average cost of \$2.98 per gallon. Two months into the fourth quarter, the CNG cost jumped \$0.44 a gallon to an average of \$1.57; diesel jumped \$0.68 a gallon to an average of \$3.97, and unleaded jumped \$0.61 a gallon to an average of \$3.59. The continuing increases in the price of all the fuel resources have resulted in this account being under funded.

The additional purchases of equipment for Morgan Shop and increased vehicle usage by Public Works Road Operations have resulted in an increased demand for fuel. At the end of the first half of the fourth quarter for Fiscal Year 2007-2008, Public Works used a total of 21,292 gallons of CNG at a cost of \$17,666, and a combined total of 39,191 gallons of unleaded and diesel gasoline for a cost of \$121,782. In the last half of the fourth quarter for Fiscal Year 2007-2008 with one month to go, Public Works used a total of 21,276 gallons of CNG at a cost of \$22,281 and a combined total of 41,885 gallons of unleaded and diesel gasoline at a cost of \$182,203.

Fuels purchased at the Morgan Road station by other County Departments have also increased. Stanislaus Regional Transit, the Sheriff's Department, Community Services Agency, the Department of Parks and Recreation, and the Agricultural Commissioner are just some of the departments that rely on fuel provided by the Morgan Road station.

Fuel costs are a component of Morgan Shop's heavy equipment rental rates. Therefore, costs will be included in the rental rate calculations for Fiscal Year 2008-2009.

POLICY ISSUE:

The Board of Supervisors should determine whether this action is consistent with its stated priorities to strive for a safe community, a healthy community, and efficient delivery of public services.

STAFFING IMPACTS:

There are no staffing impacts associated with this item.

ME/DH/RM:ot/lc

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AUDITOR-CONTROLLER BUDGET JOURNAL



Balance Type	Budget	
Category	Budget - Upload	
Source		
Currency	USD	
Budget Name	LEGAL BUDGET	
Batch Name		BO#
Journal Name		
Journal description	Increase appropriations and revenue for Morgan Shop fuel purchase	
Period	JUL-07 to JUN-08	
Organization	Stanislaus Budget Org	

Line	Coding Structure						Debit		Credit		Description
	Fund 4	Org 7	Account 5	G/L Proj 7	Loc 6	Misc 6	incr appropriations decr est revenue	decr appropriations incr est revenue			
1	5121	42100	66260	0	0	0.0	44,000.00				
2	5121	42100	39047	0	0	0.0		40,700.00			
3						.0					
4						.0					
5						.0					
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Totals							44,000.00	40,700.00			

Increase appropriations and revenue for Morgan Shop fuel purchase

Requesting Department	CEO	Auditors Office Only	
Sharon Andrews		 Admin Approval (\$75K+)	
Signature	Signature		
6/13/08	06/13/08		
Date	Date	Prepared By	Date
			0/13/08

Contact Person & Phone Number