

# Memorandum

To: Finance, Expenditures and Legal Subcommittee

From: Martin P. Cleveland

Subject: Account Over 110%, Vehicle/Equipment, Gas & Oil  
(#01- 01- 4051)

Date: June 1, 2022

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District policy 7.5 FEL Subcommittee – Budgetary Oversight states, “If, at any time during the fiscal year, the District expenditures from any budgetary account, for which more than \$10,000 was budgeted for that fiscal year, exceed the amount budgeted by more than 10%, the Chairperson of the Finance, Expenditure and Legal Subcommittee may call a meeting of such Subcommittee to consider recommendations to the Board with respect to such accounts.”

Pursuant to this policy the following account is submitted for review:

1. Account #01- 01- 4051
2. Budget: \$130,000
3. Anticipated Account Status with June payments: \$153,101 (117%)

The expenses to date are split out as per fuel type as follows:

A. Vehicles – gasoline fuel	\$50,111
B. Vehicles – diesel fuel	15,890
C. Construction & Maintenance Equipment – bulk diesel fuel	78,359
D. Other – diesel exhaust fluid (DEF), lubricant	8,741
E. Total	\$153,101

The Vehicle and Equipment, Gas and Oil budget account is used for all District vehicles (26), construction trucks (3), construction and maintenance equipment fuel and oil supplies. There has been a significant increase in fuel cost since July 1, 2021, the start of FY 2022 Budget. The average gasoline price in US was \$3.21 on July 1, 2021, and was \$4.43 on May 9, 2022, which is a 38% increase to date. The average diesel price in US was \$3.34 on July 1, 2021, and was \$5.57 on May 9, 2022, which is a 67% increase to date. Diesel fuel comprises 62% of District’s overall fuel expense. The recent fuel and oil expense has been about \$16,000/month.

**Management recommends that the Subcommittee recommend to the Board that Account #01-01-4051 – Vehicle/Equipment, Gas & Oil be allowed to exceed 110% of the budgeted amount up to a maximum of \$180,000.00.**