

AGENDA ITEM SUMMARY

City Council



STAFF

Mallory Gallegos, Transportation Operations Director
Peggy Streeter, Financial Analyst

SUBJECT

Second Reading of Ordinance No. 156, 2024, Appropriating Prior Year Reserves in the Transportation Services Fund for Snow Removal.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on November 45, 2024, appropriates prior year reserves to cover snow removal costs that have exceeded the 2024 budget. Overspend in the snow budget is driven by severe snowstorms that present unanticipated cold temperatures, ice, and higher volumes of snow.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

BACKGROUND / DISCUSSION

The 2024 snow budget of \$1,920,000 has already been depleted by \$1,500,000 leaving approximately \$460,000 for the remainder of the year. An additional expenditure of \$1,070,000 is estimated for the 2024 November – December snow season, which is based on the period's historical average of five storms. Should these storms occur, total overspend for the year would equal \$610,000. While Transportation Fund appropriations are currently sufficient to cover the snow budget overspend, it is anticipated that by year end the Transportation Fund would be overspent in an amount equivalent to the amount requested in this supplemental appropriation. Measures could be taken to offset the anticipated overspend, however, these would require a reduction in other intended services and uses. This situation is not unprecedented, as actual snow costs have exceeded Transportation Fund budget allocations on a yearly basis for over ten years. The average overspend for the past 10 years has been \$1,500,000 and has averaged \$1,800,000 over the last five years.

The three main factors in the increased costs for snow removal are increased operational costs, extremely cold temperatures, and large storms. The presence of extremely cold temperatures and/or ice requires the use of more de-icing material to keep roads safe, and more labor hours to remove ice. Other factors impacting the increased cost of snow removal include increases in personnel costs, material costs, contractor sidewalk snow removal costs, and the increase in the number of cleared lane miles.

Underspend in non-personnel from Planning, Development, and Transportation will be used to offset costs as available. The remaining amount needed for the snow removal budget is being requested from Transportation Fund Reserves.

CITY FINANCIAL IMPACTS

This Ordinance will appropriate \$610,000 from Transportation Fund prior year reserves. These funds will be expended to cover any additional costs necessary for snow removal and associated costs during the remainder of 2024.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

First Reading attachments not included.

1. Ordinance for Consideration