

AGENDA ITEM SUMMARY

City Council



STAFF

Mallory Gallegos, Transportation Operations Director
Monica Martinez, PDT FP&A Manager
Aaron Guin, Senior Assistant City Attorney

SUBJECT

First Reading of Ordinance No. 151, 2023, Appropriating Prior Year Reserves in the General Fund and Transportation Services Fund for Snow Removal.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate prior year reserves to cover snow removal costs that have exceeded the 2023 budget. Overspend in the snow budget is driven by severe snowstorms that present cold temperatures, ice, and higher volumes of snow.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The 2023 snow budget of \$1,900,000 already has been exceeded by \$600,000 bringing actual costs to a total of \$2,500,000. An additional expenditure of \$1,360,000 is estimated for the 2023 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 \$1,980,000, and total actual spend would equal \$3,860,000. 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 \$1,400,000, and has averaged \$1,700,000 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 lane miles.

Underspend in personnel and 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 General Fund Reserves.

Additionally, supplemental funds need to be appropriated from Harmony Reserves to cover overspend in the snow budget for Harmony Road - Snow Removal. The 2023 Harmony Road snow budget of \$126,725 already has been exceeded by \$13,000. This amount, plus funding for an anticipated \$80,000 in future expenditures, is requested from Harmony Road Fund Reserves

CITY FINANCIAL IMPACTS

This Ordinance will appropriate \$1,980,000 from General Fund prior year reserves. These funds will be expended to cover costs already incurred and any additional costs necessary for snow removal and associated costs. Any amount appropriated above actual costs will revert to the General Fund Reserves Balance.

An amount of \$93,000 from the Harmony Road Fund prior year reserves will also be appropriated by this Ordinance. Any amount appropriated above actual costs will revert to the Harmony Road Fund Reserves Balance.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance for Consideration