



AGENDA ITEM SUMMARY

City Council

STAFF

Mallory Gallegos, Interim Director, Transportation Operations
Monica Martinez, PDT FP&A Manager
Aaron Guin, Legal

SUBJECT

First Reading of Ordinance No. 120, 2022, 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 2022 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 2022 snow budget of \$1,900,000 already has been exceeded by \$1,100,000 bringing actual costs to a total of \$3,000,000. An additional expenditure of \$1,000,000 is estimated for the 2022 October - 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 \$2,100,000 and total actual spend would equal \$4,220,800. This situation is not unprecedented, as actual snow costs have exceeded budget allocations on a yearly basis for over ten years. In 2021, a year with no significant fall snowstorms, total snow budget costs equaled \$2,800,000. If there had been significant snowstorms, costs likely would have increased by approximately \$200,000 per snowstorm.

Two main factors in the increased costs for snow removal are 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. The need for more de-icing material accounts for almost a third of current expenditures. Other factors impacting the increased cost of snow removal include increases in personnel costs, material costs, and the increase in the number of lane miles.

Underspend in personnel and non-personnel from Planning, Development, and Transportation (PDT) will be used to offset costs as available. The snow removal budget also will be supplemented by available PDT prior year reserve balances. The remaining amount needed for the snow removal budget is 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 2022 Harmony Road snow budget of \$95,800 already has been exceeded by \$74,700. This amount, plus funding for an anticipated \$50,300 in future expenditures, is requested from Harmony Road Fund Reserves.

CITY FINANCIAL IMPACTS

This Ordinance will appropriate \$200,000 of Transportation Services Fund prior year reserves. The 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 Transportation Services Fund Reserves Balance.

Additionally, this Ordinance will appropriate \$1,900,000 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 \$125,000 from the Harmony Road Fund prior year reserves also will be appropriated by this Ordinance. Any amount appropriated above actual costs will revert to the Harmony Road Fund Reserves Balance.

Prior Appropriated Funds	
Prior Appropriated Funds	\$1,975,106
Total Prior Appropriation	\$1,975,106
Funds to be Appropriated with this Action	
Transportation Services Fund Reserves	\$200,000
General Fund Reserves	\$1,920,694
Harmony Road Fund Reserves	\$125,000
Total Funds to be Appropriated per this Action	\$2,245,694
Total Budget (includes Harmony Road Snow Removal)	
	\$4,220,800

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

Not applicable.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance for Consideration