

## Response to Questions on the FY 2011 Budget

**Request By:** Supervisor Foust

**Question:** For the FY 2010 budget:

- What were the approved and revised budgeted amounts for fuel cost in FY 2010?
- What were the estimates used for average cost per gallon and number of gallons?

Also, for the FY 2010 actual:

- What is projected total cost?
- What is projected average cost per gallon?
- How many gallons?

For the FY 2011 Advertised budget:

- What is advertised budget amount for fuel costs?
- What is average cost per gallon used in advertised budget?
- How many gallons used in advertised budget?

For past 12 months, what has been average cost per gallon each month?

Also, please answer same questions for FCPS.

Also, my recollection is we created or funded a fuel reserve last year for FY2010.

- Correct?
- If so, what is status of reserve?

Is there a fuel reserve fund in FY2011 advertised budget?

- If so, please explain.

Please provide any other info/explanations you deem relevant to consideration of the amounts spent for fuel costs in FY 2010 and budgeted for FY 2011.

**Response:**

- The following chart shows the gallons, price and total funding approved in the FY 2010 budget for fuel for General Fund/General Fund Supported, Other County Funds, and Fairfax County Public Schools (FCPS). The budgeted cost per gallon for General Fund and General Fund Supported agencies in FY 2010 is \$2.30 per gallon.

***FY 2010 - What Got Approved in FY 2010 Budget - Blended Rate of \$2.30***

|                 | Unleaded Gallons | Avg Unleaded Price | Unleaded Total     | ULSD Gallons     | Average ULSD Price | ULSD Diesel Total   | Overall Total <sup>1</sup> |
|-----------------|------------------|--------------------|--------------------|------------------|--------------------|---------------------|----------------------------|
| FCPS            | 357,355          | \$2.07             | \$739,725          | 3,316,973        | \$2.37             | \$7,861,226         | \$8,600,950                |
| GF/GF Supported | 2,188,023        | \$2.07             | \$4,529,208        | 3,344,226        | \$2.37             | \$7,926,378         | \$12,455,586               |
| Other Funds     | 143,346          | \$2.07             | \$296,726          | 1,831,077        | \$2.37             | \$4,339,652         | \$4,636,378                |
| <b>Subtotal</b> | <b>2,688,724</b> |                    | <b>\$5,565,659</b> | <b>8,492,276</b> |                    | <b>\$20,127,256</b> | <b>\$25,692,915</b>        |

<sup>1</sup> It should be noted that the FY 2010 Approved FCPS budget includes \$10,332,027 for DVS Fuel, an increase of \$1,731,077 over the County DMB/DVS projection of \$8,600,950.

- While there are still three months remaining in FY 2010, and in past years, these months have seen significant volatility in terms of price and usage as the County transitions into the spring/summer driving season, there will be savings at year-end due to slightly lower than projected price per gallon totals and substantially lower than projected gallon totals. The following chart shows the gallons, price and total spending estimate for FY 2010 for General Fund/General Fund Supported, Other County Funds, and Fairfax County Public Schools (FCPS). The year-end estimated cost per gallon for General Fund and General Fund Supported agencies in FY 2010 is \$2.20 per gallon

***FY 2010 Actual Year End Estimate as of April 5, 2009 - Blended Rate of \$2.20***

|                                     | Unleaded Gallons | Avg Unleaded Price | Unleaded Total     | ULSD Gallons     | Average ULSD Price | ULSD Diesel Total   | Overall Total       |
|-------------------------------------|------------------|--------------------|--------------------|------------------|--------------------|---------------------|---------------------|
| FCPS                                | 392,482          | \$2.17             | \$852,919          | 3,113,542        | \$2.22             | \$6,920,253         | \$7,773,172         |
| GF/GF Supported                     | 2,105,012        | \$2.17             | \$4,568,988        | 2,726,125        | \$2.19             | \$5,961,826         | \$10,530,814        |
| Other Funds                         | 162,125          | \$2.18             | \$352,776          | 1,868,922        | \$2.19             | \$4,095,814         | \$4,448,590         |
| <b>Total</b>                        | <b>2,659,619</b> |                    | <b>\$5,774,683</b> | <b>7,708,589</b> |                    | <b>\$16,977,893</b> | <b>\$22,752,576</b> |
| <b>Est GF Savings<sup>1</sup></b>   |                  |                    |                    |                  |                    |                     | <b>\$1,924,772</b>  |
| <b>Est FCPS Savings<sup>2</sup></b> |                  |                    |                    |                  |                    |                     | <b>\$827,778</b>    |

<sup>1</sup> General Fund savings are primarily located in the Police Department (\$0.7 million), Recreation (\$0.5 million), and Fire and Rescue Department (\$0.2 million). All agencies took significant budget reductions as part of the *FY 2010 Third Quarter Review* that were executable in part because of these anticipated savings.

<sup>2</sup> The lower gallon totals for *FCPS* are due in part to route restructurings undertaken as part of last year's budget as well as the higher number of snow days this fiscal year.

As noted in the above chart, based on current usage and price projections for the remainder of the fiscal year, it is estimated that there are General Fund savings of \$1.9 million; however it should be noted that \$1.2 million of this total has already been taken as part of the *FY 2010 Third Quarter Review*.

- The following chart shows the gallons, price and total funding included in the FY 2011 Advertised Budget Plan for fuel for General Fund/General Fund Supported, Other County Funds, and FCPS. **The budgeted cost per gallon for General Fund and General Fund Supported agencies in FY 2011 is \$2.37 per gallon. This price reflects an increase of 3.0 percent over the FY 2010 budgeted price of \$2.30 per gallon and an increase of 7.7 percent over the FY 2010 estimated year-end price per gallon of \$2.20.**

***FY 2011 Advertised Budget Plan Scenario - Blended Price of \$2.37***

|   | Unleaded Gallons | Avg Unleaded Price | Unleaded Total     | ULSD Gallons     | Average ULSD Price | ULSD Diesel Total   | Overall Total <sup>1</sup> |
|---|------------------|--------------------|--------------------|------------------|--------------------|---------------------|----------------------------|
| FCPS  | 358,150          | \$2.20             | \$788,474          | 3,306,197        | \$2.42             | \$7,998,749         | \$8,787,223                |
| GF/GF Supported                                     | 2,114,923        | \$2.20             | \$4,656,042        | 3,063,997        | \$2.42             | \$7,412,790         | \$12,068,832               |
| Other Funds   | 164,446          | \$2.20             | \$362,031          | 1,977,457        | \$2.42             | \$4,784,103         | \$5,146,134                |
| <b>Subtotal</b>                                     | <b>2,637,519</b> |                    | <b>\$5,806,548</b> | <b>8,347,651</b> |                    | <b>\$20,195,641</b> | <b>\$26,002,189</b>        |
| Commercial Fuel                                     |                  |                    |                    |                  |                    |                     | <b>\$164,617</b>           |
| <b>Total</b>  |                  |                    |                    |                  |                    |                     | <b>\$26,166,806</b>        |
| <b>Est GF Inc/(Dec) over FY10 ABP</b>               |                  |                    |                    |                  |                    |                     | <b>(\$386,754)</b>         |
| <b>Est GF Inc/(Dec) over FY10 Year-End Estimate</b> |                  |                    |                    |                  |                    |                     | <b>\$1,538,018</b>         |

- The average monthly cost per gallon is as follows. It should be noted that the first four months of data are from FY 2009 and the remaining eight months are from FY 2010. For FY 2010, the average year-to-date blended rate is \$2.14, compared to the FY 2010 year end estimate of \$2.20.

***FY 2009:***

|          |        |
|----------|--------|
| March-09 | \$1.49 |
| April-09 | \$1.64 |
| May-09   | \$1.68 |
| Jun-09   | \$1.99 |

***FY 2010:***

|              |        |
|--------------|--------|
| July-09      | \$1.94 |
| August-09    | \$2.09 |
| September-09 | \$2.03 |
| October-09   | \$2.11 |
| November-09  | \$2.22 |
| December-09  | \$2.17 |
| January-10   | \$2.32 |
| February-10  | \$2.22 |

- As part of the *FY 2009 Third Quarter Review*, a \$4.0 million Fuel Price Stabilization Reserve was created in the Department of Vehicle Services to protect against unanticipated price fluctuation in a given fiscal year. The reserve will not be utilized in FY 2010 and thus is projected to carry over and be available in FY 2011. Thus, no additional funding is being reserved for fuel in FY 2011.