

2008 OPERATING BUDGET

POTENTIAL ADDITIONAL BUDGET INITIATIVE – FIN1

FINANCE AND ADMINISTRATION COMMITTEE

1. CONTINGENCY FOR FUEL PRICE INCREASE

Provide contingency corporately for potential increases in fuel prices for Regional departments, excluding transit.

2. FINANCIAL IMPACT

The proposed 2008 Operating Budget tabled at Council on January 24th included fuel calculations based on \$1.00 per litre. Current prices in excess of \$1.00 per litre represent a potential risk, with each 10 cent increase representing approximately \$2 million or 0.3% tax levy impact.

Financial Impact

	2008 Fiscal Impact	2008 Annual Impact	2009 Budget
Gross Cost	600,000	600,000	0
Tax Levy Impact	600,000	600,000	0
FTE Impact	n/a	n/a	n/a

Target Implementation Date: These funds would be held corporately to offset increased fuel prices realized by Regional departments, including York Regional Police.

3. BENEFIT

- To provide a hedge against insufficient tax revenue available to offset the potential fuel price increases in the 2008 budget submission.
- Fuel prices are extremely sensitive and prone to high volatility, and for 2008, it is estimated that the Region will directly consumes some 4.4 million litres (Roads, Police and EMS); whilst it is exposed to another 17.8 million litres through contractor's cost recovery for "Fuel Surcharges" (Transit and Solid Waste Management).