

**City of Dearborn
Major Street & Trunkline Fund
Proposed FY2014 Budget**

This fund was established by state law to account for expenditures of state gas and weight tax collection allocations to the City. Their use is restricted to maintenance and construction of roads and streets and related expenditures. Ten percent of revenue may be expended for non-motorized transportation.

General Comments:

- Currently Public Act 51 allows the Major Street Fund to transfer 50% of Gas & Weight taxes to the Local Street Fund. Additional transfers can be done if certain criteria are met.

Revenues:

- Gas & Weight tax revenue rebounded in FY12. The Proposed Estimated Revenue for FY's 14, 15 & 16 are conservative estimates based on FY12 actual and FY13 year to date. However, if actual collections exceed estimated revenue, the excess would serve to enhance fund balance or could be appropriated for additional projects.
- Starting in FY12 Operating Transfers in is a contribution from the General Fund that is funded by the Garbage & Rubbish Millage for the leaf pick-up program

Expenditures:

- FY14, FY15 and FY16 budget for the Operating transfers out to the Local Street Fund includes a transfer of 45%, 40% and 40%, respectively, instead of the standard 50% currently allowed by Public Act 51 in order to provide for a balanced budget with an adequate fund balance.
- FY13 budget for Capital outlay-projects includes \$4.5 mil of projects funded on FY13 CIP, \$4.2 mil of project budget that rolled in from prior years and \$.4 mil appropriated during FY13 for federal aid to be received. This is a contingency project used to fund current project actual/budget variances, pay FINAL MDOT invoices as well as fund new projects that need to be immediately funded.

Fund Balance:

- Fund balance is minimal since it is basically fully appropriated for major street projects and maintenance of major streets. Fund balance needs to be sufficient for working capital and have the potential to absorb leaf program overruns, high cycle winters for higher than average snow fall/ice and the associated cost for salting/plowing as well as above average traffic service maintenance provided by Wayne County. Unexpended project budget automatically carries forward from year to year until the project is completed. Actual fund balance will be higher, but is dedicated for completing the projects.

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Fund Balance

Target Reserve

150,000	Winter Maintenance-higher than average salting/plowing
25,000	Leaf Pick-up program-higher than average
25,000	Traffic Control Equipment-higher than average
<u>250,000</u>	Working Capital
<u>450,000</u>	Target Fund Balance
1,130,376	FY14 Estimated Fund Balance
680,376	Variance from Target