

**City of Dearborn  
Local Street 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.
- FY14, FY15 and FY16 budget for the Operating transfers in from the General Fund includes a transfer of \$425,000 each year of the that is funded by the Garbage & Rubbish Millage for the leaf pick-up program. The additional \$50,000 from the General Fund is for operations as there are certain types of Local Street expenditures under Public Act 51 which require a local match.
- FY14, FY15 and FY16 budget for the Operating transfers in from the Major 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 in the Major Street Fund.

**Expenditures:**

- FY13 budget for Capital outlay-projects includes \$3.6 mil of projects funded on FY13 CIP and \$2.5 mil of project budget that rolled in from prior years.

**Fund Balance:**

- Fund balance is minimal since it is basically fully appropriated for local street projects and maintenance of local 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. 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**

200,000	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>150,000</u>	Working Capital
<u>400,000</u>	Target Fund Balance
769,397	FY14 Estimated Fund Balance
369,397	Variance from Target