

**City of Dearborn
Fleet Replacement Fund
Proposed FY2014-FY2016 Budget**

This fund accounts for the accumulation of lease payments from General Fund departments for the purpose of replacement vehicles and like equipment. Receipts from the sales of used vehicles are also recorded in this fund. The intent of the fund is that resources will be accumulated over time and departments will be charged like a car payment. When the useful life of a vehicle has expired it is anticipated that resources are on hand for a replacement. The design is not to fully fund the replacement of all assets, but to have sufficient resources on hand to replace the assets that have expired useful life.

Revenue

- Beginning in Fiscal 2011, all department/division contributions to this fund were suspended. Contributions were reinstated beginning in Fiscal 2013. Relatively small amounts of revenue are expected from interest income and the sale of old equipment. Funds available for equipment purchases are the balances for each department/division in fund balance.
- In Fiscal 2013 the DPW Highways and Parks divisions were awarded a grant in the amount of \$110,000 from Southwest Detroit Environmental Vision. The City will participate in a Supplemental Environmental Project whose goal is to reduce diesel pollution from the DPW fleet. Funds for the grant will be applied to the purchase of a Mach Semi Truck and a Log Loader to replace existing equipment.
- In Fiscal 2014 the budget includes a Community Development Block Grant (CDBG) in the amount of \$250,000 to fund Fire Rescue Vehicles at stations 3 and 4.

Expenditures

- Equipment requests were submitted by departments and reviewed. Spreadsheets are attached to show the requests for each year.

Retained Earnings

- Please see the retained earnings summary for each year on the REFB.