

Local Street Fund

The Local Street Fund is a Special Revenue Fund, that is, the revenues are for a special purpose, the construction and maintenance of 50.60 miles of secondary or local streets.

Revenues: The Local Street Fund revenues are projected at \$408,000, \$167,300 (69.5%) higher than the current year's

State Grants are projected at \$224,500, \$2,000 less than the current year's estimated actual. Included in this category are Metro Authority Funds, which are budgeted at \$30,000, and ACT 51 monies received from the State of Michigan.

Interest Earnings are budgeted at \$8,000, \$2,000 (25%) lower than the current year's estimated actual. While interest rates have risen, a projected smaller fund balance to invest has caused this decrease in interest earnings.

Miscellaneous Revenue is budgeted at \$500, \$500 (50%) lower than the current year's budget. Included in this category are workers' compensation refunds and other non-routine receipts.

Other Financing Sources is budgeted at \$175,000, up from \$0- for the current year's budget. This represents the needed transfer from the Major Street Fund.

Expenditures:

Construction is budgeted at \$205,025, \$130,225 (174%) higher than the current year's estimated actual. Three resurfacing projects are budgeted here, along with the reconstruction of the Kramer Drive intersection. Additional projects totalling \$70,000 are yet to be determined.

Maintenance is budgeted at \$310,355, \$33,255 (12%) higher than the current year's estimated actual, and \$18,297 (5.56%) higher than this year's budget. Local Street routine maintenance, traffic signs, tree cutting, and winter maintenance are budgeted.

Administration is budgeted at \$18,550, the same as the current year's estimated actual. These administrative costs are for engineering, miscellaneous expense, overhead costs, and administrative fees, which are transferred to the General Fund, roughly equal to the allowable 10% of ACT 51 revenues which may be transferred.

Transfers are budgeted at \$8,879, the same as fiscal 2005-06. The only transfer included in this category is the transfer to the Health Insurance Fund for retirees' health insurance.

Fund Balance: The projected fund balance at the end of fiscal year 2005-06 is \$215,351, and \$80,592 at the end of fiscal year 2007, a decrease of \$134,759.

Future Fund Outlook: The future of the Local Street Fund is bleak, even with the transfer from the Major Street Fund. Unless another source of funding is found, the Local Street Fund, in the future, will be unable to sustain routine maintenance costs, let alone paving and other reconstruction costs.