

Major Street Fund

Major Street Fund is a Special Revenue Fund, that is, the revenues received are for a special purpose, construction and maintenance of 20.16 miles of primary or major streets plus the maintenance of two state trunklines, US-2 and M-95.

Revenues: Major Street Fund revenues are projected at \$559,600, \$9,575 (1.74%) higher than the current year's estimated actual and can be attributed to slightly higher interest earnings and higher state trunkline maintenance reimbursements from the state.

State Grants are budgeted at \$535,000, \$6,726 (1.27%) higher than the current year's estimated actual. State grants consist of 51 monies and trunkline maintenance reimbursements received from the State of Michigan.

Interest and Rents are budgeted at \$23,600, \$2,600 higher than the current year's estimated actual, and can mainly be attributed to higher interest rates on CDs purchased.

Miscellaneous Revenue is budgeted at \$1,000, \$200 lower than the current year's budget.

Other Financing Sources are budgeted again this year at \$-0-, with no contributions being transferred from the General or Capital Improvement Funds.

Expenditures: Major Street Fund expenditures are budgeted at \$678,450, \$14,606 (2.11%) lower than the current year's estimated actual.

Construction is budgeted at \$58,450, \$129,720 (68.9%) lower than the current year's estimated actual. The current year's estimated actual includes approximately \$120,000 for the 2007-08 Small Urban Project, for work which should start this spring on Park, "H", and Prospect Ave. For 2007-08, a Small Urban project for a portion of "A" Street is budgeted.

Maintenance is budgeted at \$251,225, \$2,315 (.93%) higher than the current year's budget. Routine street maintenance, traffic signs, tree maintenance, and winter maintenance expenditures are budgeted here.

Administration is budgeted at \$52,450, \$6,289 (13.62%) higher than the current year's estimated actual. Wage and benefit increases account for a majority of the increase.

Transfers are budgeted at \$189,760, \$4,990 (2.7%) higher than the current fiscal year. Included again this year is a \$175,000 transfer to the Local Street Fund and a transfer of \$14,760 to the Retiree Health Insurance Fund for its share of retiree health costs.

State Trunkline Maintenance is budgeted at \$126,565, \$555 higher than the current year's budget, and \$33,955 higher than the current year's estimated actual. Because of the lack of snow this winter and the recent reconstruction/paving of US2 and M95 maintenance costs have been low for the current fiscal year.

Fund Balance: The Major Street Fund balance is estimated to be \$501,430 at 6/30/07 and \$382,580 at the end of fiscal 07-08.

Future Fund Outlook: As long as the Major Street Fund is able to transfer monies to the Local Street Fund, it should do so, and in the near future, 01/01/09 to be exact, the ability of the Major Street Fund to transfer funds to the Local Street Fund will be limited to the extent matched by local revenues (for example, General Fund revenues or special assessments). For both fiscal years 2007-08 and 2008-09, \$175,000 has been budgeted as a transfer to the Local Street Fund. Because of these proposed transfers the Major Street Fund's balance will decrease to an estimated low of \$189,754 at 6/30/09. However, the fund balance should rebound somewhat once the transfers are decreased or eliminated effective 01/01/09.