

STRATEGIC FINANCIAL ANALYSIS OF STREET IMPROVEMENT FUNDING

Prepared for

**Village of Romeo,
Michigan**



Submitted

March 2022

by



Insights and applications for better financial management

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March 25, 2022

Christine Malzahn
Village President
121 West St. Clair
Romeo, MI 48065

Dear President Malzahn and Village Council,

Municipal Analytics has completed a review of funding options to address the street improvement needs of the Village. This report summarizes our findings, presents options available, and offers a recommended strategy to fund the work required over the next 20 years.

Executive Summary

The condition of Village streets in Romeo is below an acceptable standard, and the Village understands improvements must be made. The current estimated cost of improving streets to good condition over the next 20 years is in the range \$9 million and \$11 million, depending on how quickly the improvements are made. The last major investment in Village streets was in the mid-1990s, and since then only minimal investments have been made to maintain road conditions.

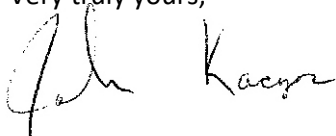
A significant factor in the low investment in street surface improvements over the past 27 years is limited funding. Primary funding sources have included gas tax distributions from the State, as well as a small local levy of 1.5 mills. The revenue from these sources is used for annual maintenance programs (snow removal, patching, sealing, signage, right-of-way maintenance, etc.). After accounting for these costs, available funds have not been sufficient to make the necessary improvements to impact the overall road conditions in the Village.

Additional funding options available to make substantial investments in streets include debt millage, operating millage, special assessments and occasionally grants. For reasons discussed in the report, special assessments are the least favorable option. The combination of a debt levy and a new street operating levy, totaling 4 mills, is the optimal strategy for the Village. Four mills would generate sufficient revenue to meet short- and long-term goals of good quality streets. After debt is paid off, Romeo could maintain good quality streets with a more modest operating levy. Some available cash reserves could be used to accelerate the start of improvements, which could begin immediately after voters approve the tax levies required to support the investments required. Without voter approval for additional taxes, the Village's overall street condition cannot be improved.

We appreciate the opportunity to assist the Village of Romeo with this study, and we encourage the Village to move forward with the recommended funding strategy at the earliest opportunity. Further delays in addressing the funding needs to improve streets will only increase the time and cost required to achieve the quality of streets desired in the community.

If you have any questions about this report or the analysis conducted as part of this study, please do not hesitate to contact me at 734-623-8033 or johnk@municipalanalytics.com.

Very truly yours,

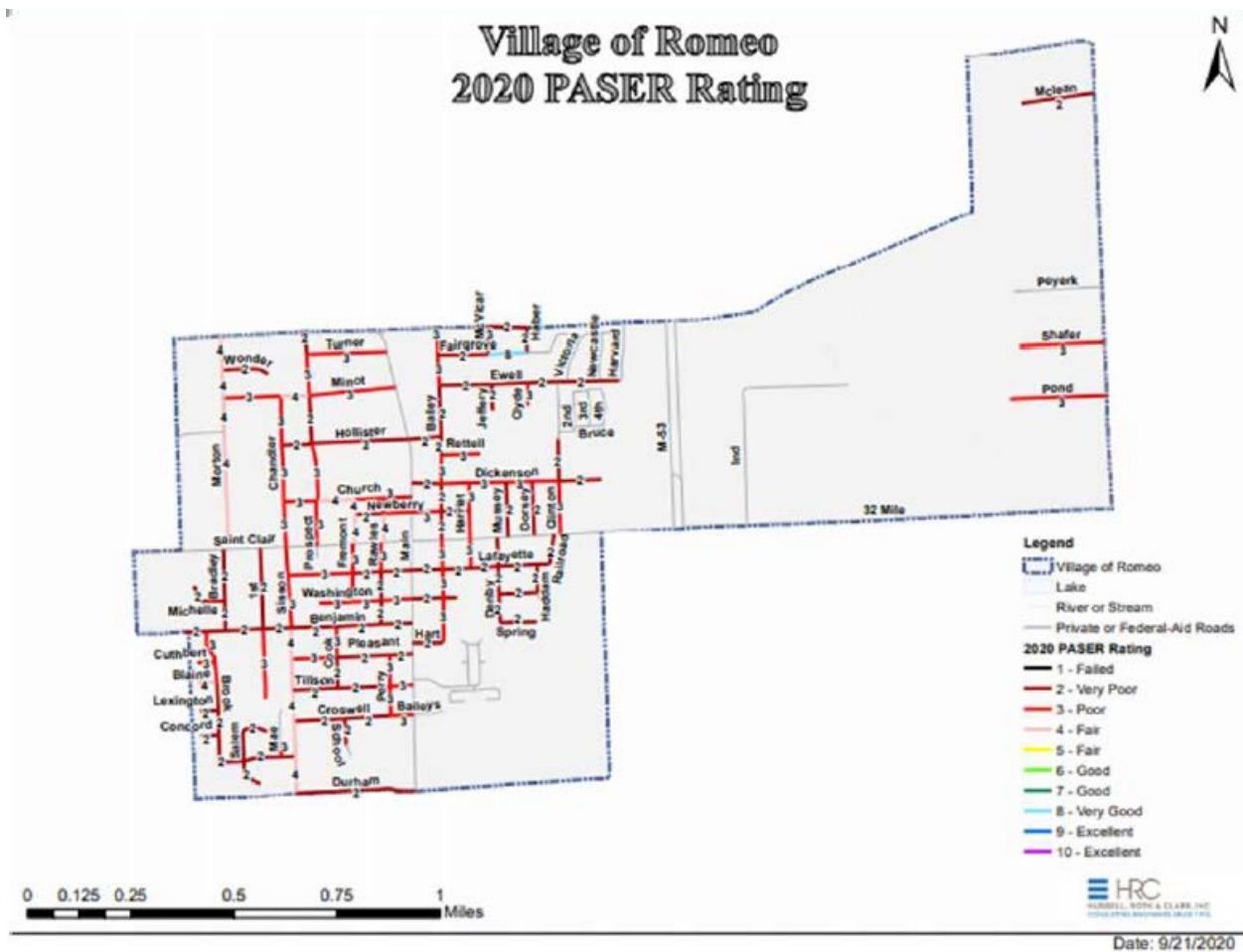
A handwritten signature in black ink, appearing to read "John Kaczor". The signature is written in a cursive style with a large initial "J".

John Kaczor
Principal

The Need for Increased Funding for Streets

The Village of Romeo has 13.265 miles of Village streets under its direct jurisdiction. In addition to these streets, there are several miles of major streets under County jurisdiction and a number of privately owned streets in the Village, for which Romeo has no financial responsibility.

Romeo last made significant investments in its road infrastructure in 1994-1995. Since that time, the condition of Village streets has deteriorated. According to the 2017 *Road Asset Management Plan* prepared by Hubbell, Roth & Clark (HRC) engineers, the Village's average road conditions were rated 2.2 out of 10 on the PASER rating scale. In this report, 72.7% of the Village's roads were rated as "poor" (a rating of 1 to 3). This score marked a considerable decline from 2015, when the average rating was 3.9. The streets condition assessment was updated in 2020, at which time the Village-wide PASER rating was determined to be 2.18 (see map below for street condition ratings), with 92.89% rated as "poor." Road conditions continue to worsen, as only minimal maintenance is being performed, largely due to limited resources to fund the significant improvements required.



The Village leadership and residents recognize streets must be improved to maintain Romeo’s attractiveness to residents and businesses. Current conditions are not only unpleasant, but also present potential liabilities to drivers, pedestrians and property owners.

According to the 2017 *Road Asset Management Plan* report, the estimated cost to resurface all Village roads was \$7.7 million, while reconstructing roads to achieve good condition (8-10 on the PASER scale) was estimated to cost \$14.6 million. Since that study was completed, the cost of materials and labor have increased, and the severity of repairs required has also increased.

The 2017 report also included a recommendation to move from a “worst first” strategy of road investment to a “**mix of fixes**” strategy. The latter strategy is the optimal approach to improving and maintaining the overall condition of streets, while the former strategy focuses on fixing the worst condition roads first and allowing those that are in good to fair condition to deteriorate further. By addressing only the very poor condition roads, the Village would spend 2-3 times per road mile than would be required to maintain good surfaces for a much longer time. The table below illustrates the estimated cost of addressing the different levels of road conditions (from 2017 *Road Asset Management Plan* report).

Table 1. Estimated Cost of Improvements (in 2017 dollars)

PASER Rating	Recommended Treatment	Estimated Cost (Per Centerline Mile)
10	No Maintenance Required	\$ -
9	No Maintenance Required/Crack Sealing (See #7)	\$ -
8	No Maintenance Required/Crack Sealing (See #7)	\$ -
7	Routine Crack Sealing	\$18,000.00
6	Sealcoat	\$85,000.00
5	Non-structural overlay of 1.5 inches	\$410,000.00
4	Structural overlay of 3 inches	\$475,000.00
3	Mill and Overlay – 3” thick	\$600,000.00
3	Mill and Overlay – 4” thick	\$846,000.00
2	Reconstruction with extensive base repairs	\$1,148,000.00
1	Total Reconstruction	\$1,543,000.00

In 2021, HRC recommended the Village aim for a minimum average road condition score of 6.0. This would result in a pavement network that has satisfactory driving conditions and allows for efficient use of resources to maintain the pavement. In this situation, Romeo would focus on keeping good condition roads in good condition and reconstructing some failed roads each year. Given the current condition of streets in the Village, substantial up-front investments will be required to improve streets to a level at which they can be maintained.

Street Improvement Funding Options

The Village of Romeo is organized under Michigan's Act 3 of 1895, commonly referred to as the General Law Village Act (GLVA). According to this enabling legislation, the Village has three options for funding needed improvements to its streets infrastructure:

1. Operating millage
2. Debt millage
3. Special assessments

An operating millage could take the form of a special-voted millage for the designated purpose of street maintenance, or it could be structured under the provisions of the GLVA, Section 69.2:

69.2 Authority of council to levy taxes; general highway fund.

Sec. 2. The council shall also have power to raise, by general tax upon all real estate and personal property aforesaid, such sum not exceeding 1/2 of 1 per cent [5 mills] of the assessed value of said property, as they shall deem necessary for highway and street purposes. Such moneys shall constitute a "general highway fund," and shall be expended exclusively for working and improving the highways, streets, lanes and alleys of the village and for the construction and repair of bridges therein.

Romeo currently levies 1.5 mills under this section of the legislation, which leaves 3.5 mills of taxing authority available.

In addition to operating levies, the Village may, with support from voters, levy additional taxes for the purpose of debt repayment, as provided in Section 69.6 of the GLVA:

69.6 Taxation for payment of interest, principal, sinking fund deposits, evidences of indebtedness, assessments, or contract obligations; credit for surplus money.

Sec. 6. The council shall raise annually by taxation an amount such that the estimated collections will be sufficient to promptly pay when due the interest, that portion of the principal, and the required sinking fund deposits on the outstanding bonds or other evidences of indebtedness, or assessments or contract obligations in anticipation of which bonds were issued, falling due prior to the time of the following year's tax collections. The tax shall be without limitation as to rate or amount and in addition to any other tax the village may levy but shall not be in excess of the rate or amount necessary to pay the principal and interest or assessments or contract obligations. If at the time of making an annual tax levy, surplus money is on hand for the payment of principal or interest and provision for disposition of the money was not made, then credit for the surplus may be taken against the amount to be raised for principal or interest as the case may be. The money so raised shall be used solely for the purpose stated in this section.

Finally, funding street improvements could be achieved through the special assessment process:

69.5 Authority of council to levy taxes; street and other local improvements; special assessment proceeds.

Sec. 5. The council may raise by special assessment upon the lands in sewer districts and special assessment districts, for the purpose of defraying the cost and expense of grading, paving, and graveling streets, and for constructing drains and sewers, and for making other local improvements, charged upon the lands in the district in proportion to frontage or benefits, such sums as they shall consider necessary to defray the costs of the improvements.

Due to the Village-wide scope of needed improvements, and given the costs associated with these projects, the option of special assessments would likely be the least-preferred. The reasons for this include:

- Equity of property owners on different streets
 - Wider streets will cost more than narrower streets
 - Some streets will require significant reconstruction, while others may need only an overlay
 - Streets with curbs and gutters are more expensive to improve than those without
 - Those streets that are improved earlier would likely pay less than those in later years, due to increasing costs of regulatory compliance, materials and labor
- Added time to move through the special assessment process
- Added cost of determining and calculating the basis for assessments
- Breaking the Village into special assessment districts would minimize the benefits of a Village-wide “mix of fixes” strategy and limit the engineer’s ability to recommend the most efficient strategy
- The process of creating and maintaining special assessment districts over many years would require future elected officials to remain committed to this strategy, which is by no means guaranteed

Given the drawbacks of special assessments in this context, the remainder of this report will focus on options for raising funds through ad valorem taxes. This Village wide approach and long-term funding plan would be more efficient and certain.

Current and Allowable Tax Levies

Local government taxation in Michigan is restricted by three major legislative and constitutional provisions, including:

- The General Law Village act
- Headlee amendment to the State Constitution
- Proposal A

Other key factors that can limit a municipality’s tax revenues include growth in a local unit’s tax base and voter support of new taxes.

As prescribed in Sec. 69.22, the GLVA limits the total taxing authority for operations of the Village to 20.0 mills (debt levies are excluded from this limit – see Sec. 69.6, above):

69.22 Raising additional amounts by tax or loan; approval of electors; limitation on taxation and indebtedness; exclusions from limitation; validation of prior bonds or obligations; computation of net indebtedness for purposes of subsection (2).

Sec. 22. (1) If any greater amount is required in any year for any lawful purpose than can otherwise be raised by the council under this chapter, the amount may be raised by tax or loan, or partly by tax and partly by loan. If approved

by a majority vote of the electors at an annual or special village election, the council may levy a tax that, in any year, must not exceed 2% [20 mills] of the assessed valuation of the real and personal property within the village, as shown by the last preceding assessment roll of the village.

The Headlee amendment permanently reduces (“rolls back”) tax levies if the local tax base grows faster than the rate of inflation, after accounting for new construction and value lost due to demolition, fire, etc. To conform to the requirements of Headlee, each local property has an authorized levy (what was approved by voters or the governing body within limits of the local charter). Municipalities cannot levy more than the allowable tax rate, even though a higher rate was initially authorized.

Proposal A limits growth in the tax base by allowing the taxable value of each parcel to increase by no more than the rate of inflation, or 5%, whichever is lower. When property ownership is transferred, the taxable value is “uncapped” and reset to the State Equalized Value (SEV). As properties are uncapped, the increase in taxable values could be sufficient to cause the tax base in the community to rise sufficiently to trigger a Headlee rollback. Proposal A has over the past 28 years slowed the growth of local revenues and created disparities in tax burden for similar properties, so new property owners pay a potentially much higher tax than a similar-valued property whose ownership has not changed in many years.

Romeo’s currently authorized tax levies total 17.25 mills, and the maximum allowable tax rate for existing levies under Headlee provisions is 14.8976 mills. Currently authorized and allowable tax rates are summarized by levy purpose below:

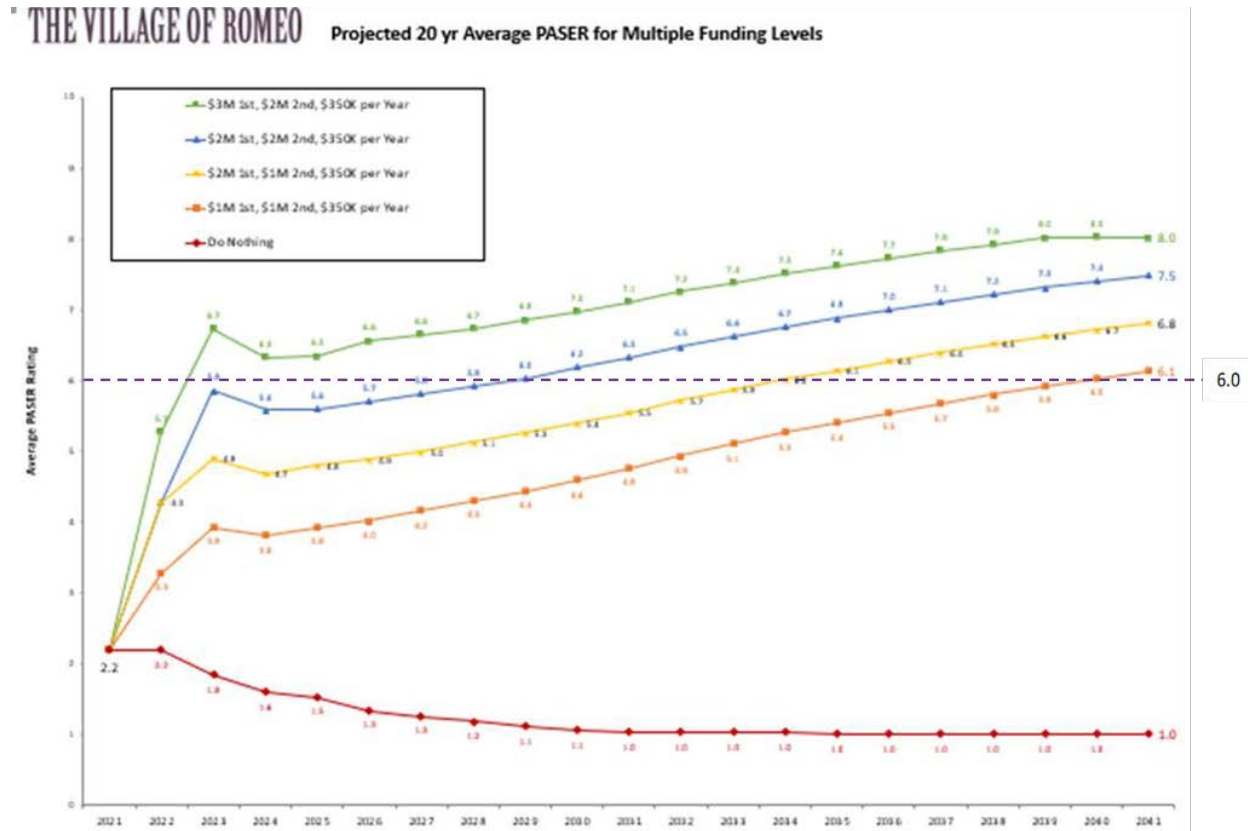
<u>Purpose of Millage (authorization)</u>	<u>Authorized</u>	<u>Allowable</u>
General Operating (Act 3 of 1895)	12.5000	11.1950
Highways & Streets (Act 3 of 1895)	1.5000	1.4520
Cemetery (Act 3 of 1895)	0.7500	0.7440
Refuse & Garbage (Act 298 of 1917)	<u>2.5000</u>	<u>1.5066</u>
TOTAL	17.2500	14.8976

Given the current authorized levy of 17.25 mills, this leaves 2.75 mills of additional taxing capacity. This limitation restricts the Village from fully levying the remaining 3.5 mills authorized for streets noted in the previous section.

Options for Financing Street Improvements in Romeo

According to HRC’s 2021 calculations, the minimum investment required to achieve an average PASER rating of 6.0 was estimated to be \$9 million over 20 years, which could be funded through an initial bonded investment of \$2 million, and an additional \$350,000 per year for 20 years. This approach, shown as the orange line in the chart below, was estimated to require a full 19 years to achieve the target PASER rating. A \$4 million initial investment, with an additional \$350,000 per year (totaling \$11 million over 20 years) was expected to improve average road conditions to 6.0 after 2 years, and this

rating could be generally sustained and even increased over the 20-year forecast period (see blue line in chart below).



Given the clear need for improved streets, the Village will soon need to decide the level of investment it desires to make to achieve road conditions that are acceptable to the community. Associated with this decision is how street improvements will be funded. The mechanisms available to the Village to fund a street improvement program were outlined earlier in this report.

In addition to taxes, debt and special assessments, non-Village funding sources could include grants and private contributions. For purposes of this analysis, we will assume the Village will pursue available funding that may be available, and those funds would be used to accelerate improvements, but not significantly impact the revenues required to be raised by taxation or assessment.

The current street millage pays primarily for street lighting, sidewalk maintenance and improvements, tree trimming, and street maintenance. After accounting for operating expenses, some funds are available from the street tax or from Act 51 funding, to pay for street capital projects. Accumulated net revenues (fund balance) in the Village’s three street funds currently totals about \$1.5 million. A portion of this balance is available to immediately invest in street improvements. The Village should maintain reserves sufficient to address any unforeseen emergencies or unusually costly winter maintenance in future years. Appendix A contains a summary of current revenues and expenditures associated with street maintenance and improvements in the Village.

Funding a capital plan of the magnitude required in Romeo will require an additional tax levy of about 4 mills for up to 20 years. This is in addition to the existing levies noted above. Depending on actual costs, revenues and road conditions in later years, the required millage may be lower or higher, but it is clear 4 mills is the amount needed at this point. While any increased funding would improve street conditions, a levy that is much lower than 4.0 will not be adequate to meet the target road quality standards over a 20-year period. Without sufficient revenue, the Village will be able to respond to only the most critical roads and miss the opportunity to resolve the long-standing challenge of deteriorating streets.

When calculating tax revenues in this analysis, the following assumptions related to tax base, growth and Headlee factors were used in all scenarios:

- Base year (2022) taxable value: \$175,000,000
- Average annual growth in taxable value: 2.5%
- Headlee reduction fraction per year: 0.9800

The net effect of these assumptions is a forecasted rate of growth in tax revenues of 0.45% per year, which is well below typical inflationary cost increases. To put this in dollar terms, a 4-mill levy in 2022 would generate \$700,000, and after 20 years, the Headlee-allowable levy would be 2.7249 and taxable value would be \$279,763,782, resulting in revenue of \$762,328. The forecast could be impacted by many variables, including increased development, annexation, loss of taxable value, higher or lower inflation rate multipliers under Proposal A and Headlee, higher or lower Headlee fractions, or new legislation.

The funding options presented below fall into one of three categories, summarized below. While all options should be considered by the Village, they are presented in the order that is most likely to meet the Village's short- and long-term goals. A recommendation is also provided in the next section of the report:

1. Combination of an operating millage and debt millage

- a. Different levels of debt and operating millage possible. Three options are considered in this report:
 - i. \$3M bond requiring a 1.5 mill debt levy + 2.5 mills operating levy to pay for capital (yellow line in the below graphs)
 - ii. \$4M bond (2.0 mills for debt) + 2.0 mills for operations & capital (blue line in the below graphs)
 - iii. \$5M bond (2.5 mills for debt) + 1.5 mills for operations & capital (green line in the below graphs)
- b. Assumes 15-year bond repayment (repayment term should not exceed useful life of the asset paid for with debt)
- c. Assumes 3.5% interest on debt
- d. 20-year investment potential: \$10.5M - \$12.1M
- e. Debt + operating levies provide the fastest improvement and possibly the lowest long-term tax impacts

2. Operating millage only

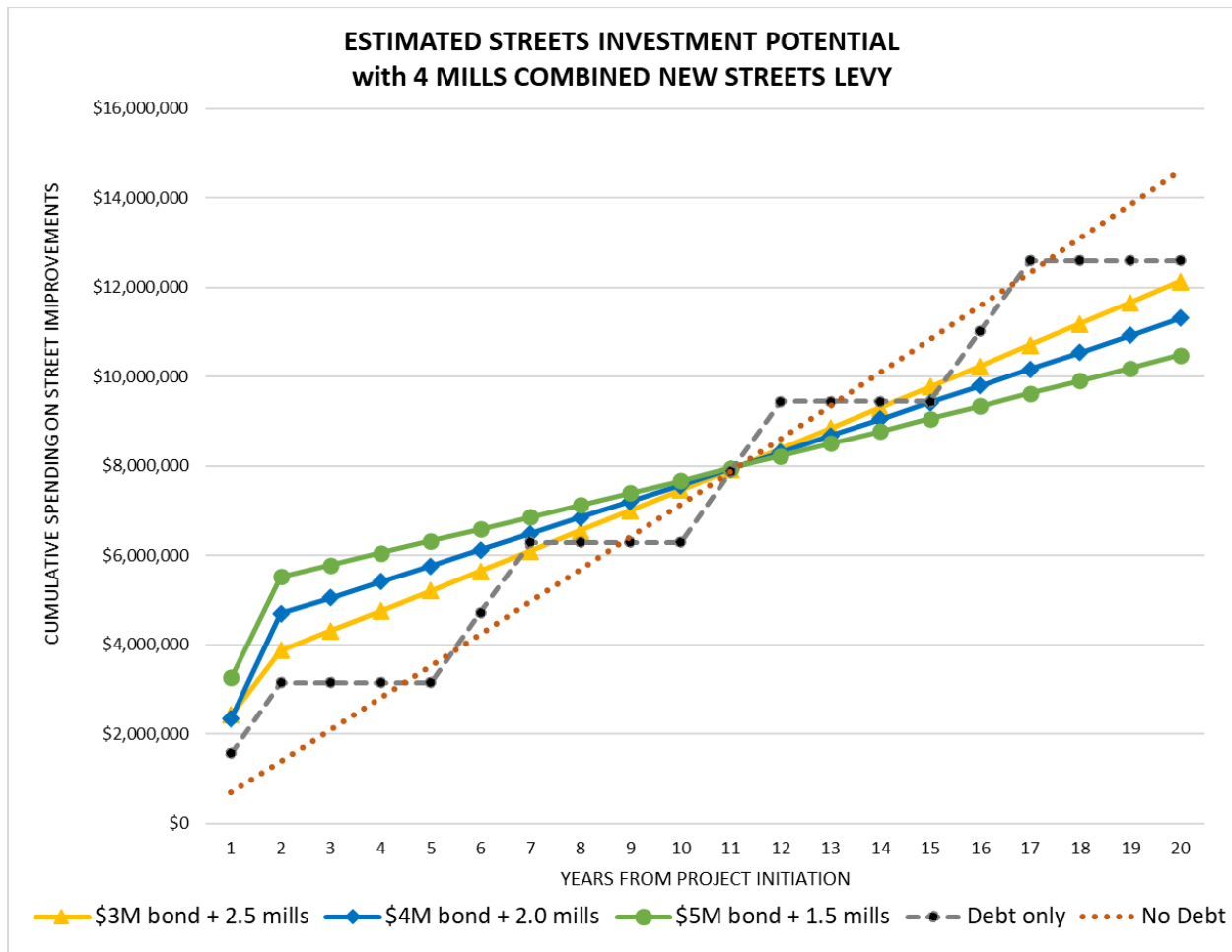
- a. If limited to the maximum allowable with current levies, the Village could levy only 2.75 mills
- b. The target of 4 new mills of dedicated street levies could be achieved if voters approved a Headlee override of the general operating millage and the Council committed 1.25 mills of the override to streets
- c. Another strategy to attain 4 mills of operating levy would be to eliminate the garbage millage and replace it with fee on water bill. This would free up sufficient millage capacity to seek a new 4-mill special streets millage
- d. If limiting the street levy to only what is permitted under Act 3, the added street millage could not exceed 3.5 mills.
 - i. Act 3 levies do not expire; however, they do erode over time due to Headlee rollbacks
 - 1. To increase the millage in future years would require voters to approve a Headlee override
 - ii. Special-voted millages expire after the term identified in the ballot language
 - 1. This allows for special-voted millages to be “reset” or adjusted in later years, if supported by voters
- e. With an increase of 4 mills for street operations, the 20-year investment potential could be \$14.6M (red line in the below graphs)
 - i. This approach results in the lowest initial investment (slower progress) and would not significantly improve any roads in the near term.
 - ii. Since there would be no interest costs, more funds would be available to invest in streets, over time

3. Debt millage only

- a. Fund improvements via short-term debt every 5 years (gray line in the below graphs)
- b. Would allow for 2-3 years of active construction, then 2-3 years with minimal or no activity, repeating every five years
- c. 20-year investment potential: \$12.6M
 - i. This approach would eliminate the consistent revenue available from an operating millage
 - ii. This approach would require that future elected officials continue with the same strategy and pass new short-term debt every five years.

The chart below shows five scenarios for street investment, each requiring 4 mills of **new** street taxes. Depending on the strategy selected, the Village would see a higher or lower level of initial investment, and over time the level of funds available under each scenario invert.

To illustrate this point, consider the highest and lowest starting points in year 1. The red dotted line illustrates the revenue potential of a 4-mill operating levy over 20 years, with no debt issued. In this scenario, the first years of revenue result in a lower level of investment, yet over time, the total funds available are noticeably higher than other scenarios. The green line, representing an initial bonded investment of \$5 million, paired with a 1.5-mill operating levy, shows an aggressive start to improving streets, and over time the amount of funding in this scenario becomes the lowest.

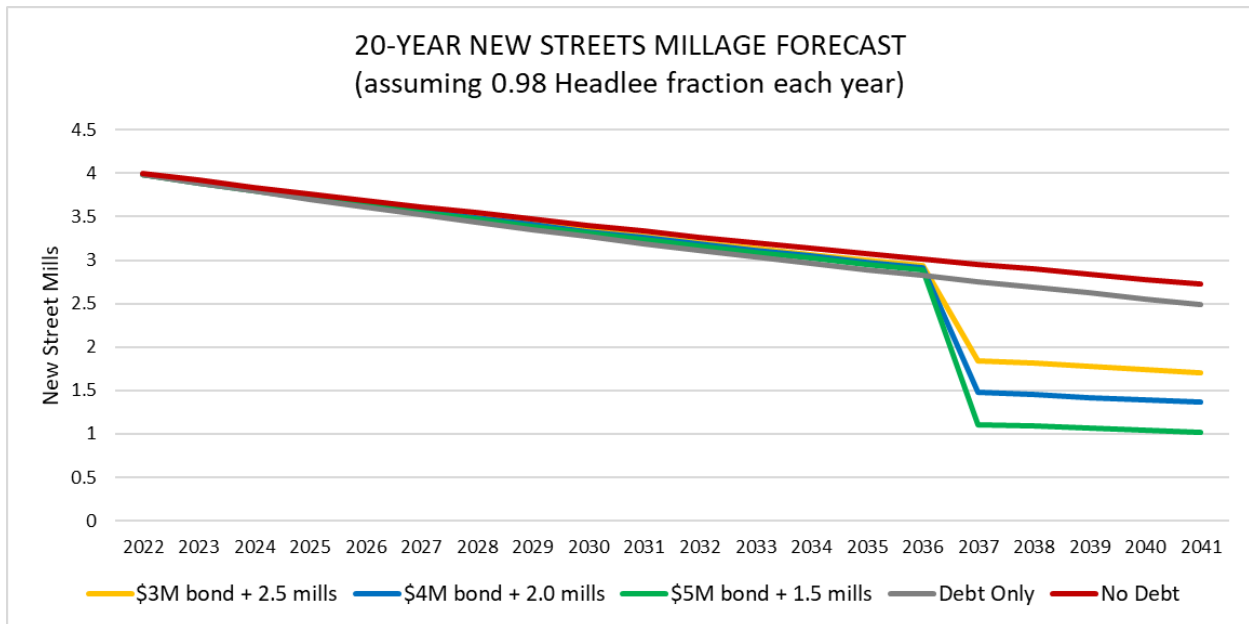


An interesting coincidence of these five scenarios is they all reach the same level of investment after 11 years. This might suggest that a more aggressive investment strategy is preferred in the initial ten years of the street improvement plan. At the midpoint, the Village could reassess its remaining capital needs and adjust the funding strategy to keep the plan on target.

The difference between the scenarios can be explained by two variables:

1. **Interest expense.** When bonding for capital, the Village would incur additional expenses in the form of interest on debt. Revenue required to fund interest costs reduces the money available to pay for street improvements. The amount of interest expense in the four debt-financed scenarios is estimated to be:
 - \$3M bond: \$907,000
 - \$4M bond: \$1.2 million
 - \$5M bond: \$1.5 million
 - Debt only: \$1.3 million
2. **Discontinuation of debt levies.** The analysis assumes that once debt is paid off, the debt levy will go away. There is no assumption that the operating millage would be increased after debt is fully paid.

The total millages under the five scenarios is presented in the chart below:



As illustrated, the funding scenario with the lowest long-term taxpayer impact is the \$5 million initial debt, combined with 1.5 mills operating levy. As noted previously, this is also the option that has the lowest long-term level of investment, due to the greater interest paid on the loan and the lower operating levy of 1.5 mills. If the Village opts to issues 15-year bonds to kick-start the street improvements, it seems the funding needs of the capital project should be reevaluated after year 14 to ensure sufficient revenue to achieve the program’s goals. As the debt levy approaches its end, voters could be asked to increase the operating levy, if needed.

Recommended Funding Strategy

Romeo is interested in improving its municipal streets, and recognizes the significance of the task at hand, both on the disruptions caused by street improvements and the burden placed on taxpayers to fund the improvements. For too long, Romeo has under-funded its streets, which has been a benefit to taxpayers, yet this underfunding has not allowed the Village to adequately maintain its road network. Citizens and elected officials recognize the importance of taking action to resolve this issue.

Given the level of improvements needed, **the optimal strategy identified through this analysis would be an initial large investment via a \$4 million bond, coupled with an additional street levy of 2.0 mills.** About \$1 million of current fund balance in the streets funds could also be utilized to boost immediate investment in streets. This strategy provides the initial infusion of cash needed to make noticeable improvements in a two-year period, and it establishes a long-term funding source that is forecasted to achieve the \$11 million target identified by the Village engineers. In summary, if following this strategy, the Village would:

- Request voter approval of a 20-year street operating levy of 2.0 mills
 - This millage would raise about \$350,000 in the first year

- An operating levy of 2.0 mills is within the limits noted previously for authorized tax rates in the Village
- Seek voter approval of a 15-year debt millage to fund a \$4 million capital improvement bond
 - The maximum debt levy would be 2.0 mills
 - Debt levies are not subject to the 20-mill limit imposed by the GLVA
 - The estimated annual debt service on this bond, assuming 3.5% interest, would be about \$347,300
 - Actual levy required each year would be based on the final debt service schedule and tax base each year
 - After 15 years, the debt millage would expire
- Use about \$1 million of current fund balance to kick-start the initial phase of the long-term project, including engineering studies, capital planning and pre-funding some improvements before bond proceeds and tax revenues are received.

The Village could issue bonds shortly after the debt levy is approved by voters. Pre-planning could begin immediately, and construction could begin as soon as funds are available, pending engineering studies and construction contracts. Any improvements to be made using the operating levy could be planned to begin after the due date of the new tax.

Longer-term, the Village is encouraged to reassess its street funding needs after ten years, and again before the debt millage is paid off in 15 years. These reviews will allow the Village to adapt to the balance of improvements remaining, as well as adjust the operating millage based on the then-current tax base of the Village. If it is determined a higher operating millage is required to achieve the level of street quality desired, the Village would have to seek voter approval.

Additionally, Romeo should work with its engineers to identify a street improvement program that is coordinated with anticipated underground utility work, achieves the proper “mix of fixes” to prolong road surface quality, and maximizes any grant funding available. The street improvement plan should be reviewed and adjusted regularly to ensure it provides the most efficient use of limited resources.

APPENDIX A

SUMMARY OF STREET-RELATED REVENUES AND EXPENDITURES

Romeo has three operating funds dedicated to street maintenance and improvements: the Major Street Fund, Local Street Fund, and Municipal Street Fund. The first two funds receive the bulk of revenues from the State, following the allocation and distribution formula prescribed in Act 51 of 1951, as amended. The Municipal Street Fund is funded primarily by the 1.5-mill street levy authorized by Council under the GLVA.

Below is a summary of each of these funds over the past several years. The first three years are actual year-end values, and the 2022 column is the amount budgeted for this year.

DESCRIPTION	FYE 6/30:	ACTIVITY 2019	ACTIVITY 2020	ACTIVITY 2021	AMENDED 2022
FUND 202 - MAJOR STREET FUND					
REVENUES					
Act 51 State Highway Fund		198,931	207,791	228,611	198,931
Grants		23,562	-	-	-
Interest & Donations		-	69	1,749	-
TOTAL REVENUES		222,493	207,860	230,360	198,931
EXPENDITURES					
Routine Maintenance		52,999	46,138	41,535	78,910
Winter Maintenance		9,682	12,625	14,463	19,021
Construction		-	1,239	-	-
Transfers to Local Streets		99,000	99,000	99,000	99,000
Transfer to Retirement Fund		2,500	1,111	1,666	2,000
TOTAL EXPENDITURES		164,181	160,113	156,664	198,931
NET REVENUES (EXPENDITURES)		58,312	47,747	73,696	-
BEGINNING FUND BALANCE		<u>209,321</u>	<u>267,632</u>	<u>315,380</u>	<u>389,076</u>
ENDING FUND BALANCE		267,632	315,380	389,076	389,076

	FYE 6/30:	ACTIVITY	ACTIVITY	ACTIVITY	AMENDED
DESCRIPTION		2019	2020	2021	2022
FUND 203 - LOCAL STREET FUND					
REVENUES					
Act 51 State Highway Fund		101,918	106,441	117,094	101,918
Grants		11,779	-	-	-
Local Community Stabilization Fund		10,056	11,112	11,562	11,112
Transfer from Major Streets Fund		99,000	99,000	99,000	99,000
Transfer from Municipal Streets Fund		61,677	62,000	62,000	62,000
Interest & Donations		0	87	-	-
TOTAL REVENUES		284,431	278,640	289,656	274,030
EXPENDITURES					
Routine Maintenance		140,413	126,365	106,259	199,148
Traffic & Street Signs		7,269	5,032	8,672	9,830
Winter Maintenance		51,426	29,751	41,947	51,052
Right-of-Way Maintenance		-	575	-	3,500
Village Tree Board		365	-	-	-
Transfer to Retirement Fund		7,800	5,078	7,477	6,500
TOTAL EXPENDITURES		207,273	166,801	164,355	270,030
NET REVENUES (EXPENDITURES)		77,158	111,839	125,301	4,000
BEGINNING FUND BALANCE		204,297	281,455	393,294	518,595
ENDING FUND BALANCE		281,455	393,294	518,595	522,595
FUND 204 - MUNICIPAL STREET FUND					
REVENUES					
Property Taxes		237,598	235,050	238,160	240,278
Local Community Stabilization Fund		129,102	147,418	170,280	71,269
Contribution from DDA		-	9,457	-	80,000
Sidewalk Program Revenues		-	5,420	26,539	25,000
Interest & Donations		-	694	400	1,200
TOTAL REVENUES		366,700	398,039	435,379	417,747
EXPENDITURES					
Downtown Street Maintenance		65,380	79,038	41,314	98,181
Routine Maintenance		-	-	4,600	-
Traffic & Street Signs		-	58	-	-
Winter Maintenance		-	-	268	-
Street Lighting		69,046	88,665	82,446	70,000
Right-of-Way Maintenance		12,757	6,362	18,356	14,000
Sidewalks		2,043	11,392	72,453	69,624
Transfers to Local Streets		61,677	62,000	62,000	62,000
TOTAL EXPENDITURES		210,903	247,515	281,437	313,805
NET REVENUES (EXPENDITURES)		155,797	150,524	153,942	103,942
BEGINNING FUND BALANCE		28,218	184,015	334,539	488,482
ENDING FUND BALANCE		184,015	334,539	488,482	592,424