



FORSYTH TOWNSHIP'S 2018 Citizen's Guide



2018 Citizen's Guide to
Forsyth Township's Financial Health

Prepared by
Lynn Rodgers, Deputy Treasurer



KEY TERMS

There are a few key terms that may be helpful when reading this report. They include:

- **Budget deficit/surplus.** If there is less money received than paid out in a given fiscal year, there is a budget **deficit** or shortfall. If there is more money received than paid during the fiscal year, a budget **surplus** exists.
- **Debt.** Just like a homeowner takes out a mortgage, governments can borrow money to pay for certain types of projects. The state has both short-term debt (paid back within the fiscal year) and long-term debt. Debt can be either **general obligation** debt, meaning that the state pays back the debt with regular tax collections and other revenues, or **special revenue** debt, which is paid off over time with revenue from specified sources beyond the usual taxes and service fees.
- **Fiscal year (FY).** The 12-month period of time during which budgets are allocated or finances are planned. Most households have a fiscal year that runs from January 1 to December 31 (that's the period for which we pay personal income taxes in April), while state government uses an October 1 - September 30 fiscal year. Some local units of government, including public schools, use a July 1 - June 30 fiscal year. Forsyth Township operates fiscal year April 1 – March 31.
- **Fund balance.** Once all the bills for the year have been paid out of a certain fund, whatever is left over is called the fund balance. When a fund balance is less than zero, you'll see the number shown with parentheses around it. Deficits cause fund balances to decrease, while surpluses cause them to increase.
- **Public budget gap.** A novel measure, similar to the deficit, used to measure the extent to which a government is falling short of covering its current and long-term obligations in a fiscal period. The budget gap takes into account the budget deficit, as well as any new obligations that the government has failed to cover such as **employee pensions or retiree health care.**
- **Reserved/Restricted funds.** Some funds are considered to be “reserved” or “restricted” for a specific purpose, and cannot be spent for anything else.

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Welcome

Greetings,

Forsyth Township serves 6,164 residents and covers a large area of land with almost 200 square miles. Within the boundaries of the township we have several communities including Austin, Gwinn, Little Lake, New Swanzy, Princeton, Sawyer, and an array of lake areas.

The township is fortunate to be able to provide many services to our residents and taxpayers. We offer emergency services, which include a full-time police department and devoted volunteers who serve as EMTs and firemen. We provide programs and recreation opportunities for a range of age groups, from parks to community centers to baseball fields and senior center programs.

There continues to be financial challenges for the township, such as aging equipment and infrastructure, deteriorating roads, unfunded liabilities and mandates, dilapidated buildings, and lost revenues from the state and property taxes. The township took the majority of the former K.I. Sawyer AFB over when the base closed which has stretched the area of services that need to be provided. The Forsyth Township Board and its employees are continually looking for new and innovative ways to control costs and find additional revenue sources so we can continue to provide the services that our residents expect and deserve.

The township has been fortunate that in recent years, the taxpayers have provided additional millage for police services, library operations, ambulance equipment, and road repairs. The township has also been awarded various grants and donations for streets, park improvements, and emergency service vehicles, equipment purchases along with services.

The Forsyth Township Board recognizes the need for the taxpayers and residents to understand how their local government functions. Furthermore, we hope that this will give you a snapshot of the township's finances. We feel strongly that we are providing the best services possible while working to the standards of all applicable requirements and laws that govern our township.

If you have any questions, please do not hesitate to contact any of our board members or one of our dedicated employees.

Sincerely,

Joseph Boogren, Supervisor

Michelle Borrett, Clerk

Judith Roberts, Treasurer

Chris Adams, Trustee

Neil Armatti, Trustee

How Governments Use Your Money

Forsyth Township receives monies from various sources. The main areas are listed below:

Property Taxes are revenue received from properties owned within the township based on millage rates and assessed taxable value of the property.

Grants are applied for to help off-set the cost of upgrading equipment and services for the township's residents. In the past few years, Forsyth Township has applied for and successfully received grant monies for items such as park upgrades, police patrol cars and equipment, a fire truck and equipment, and an ambulance. The township also received a large grant for the boulevard renovation, new sidewalks and street lights which allowed the township to upgrade portions of water and sewer system at a fraction of the cost.

State Funding is received from revenue sharing, penal fines for the library, liquor license fees, etc. Revenue Sharing is a large portion of the township's income. Forsyth Township had received both statutory and constitutional revenue sharing along with right-of-way revenue sharing. The state has replaced statutory revenue sharing with a program that requires local governments to meet certain criteria and process additional reports or lose substantial revenue.

Water and Sewer Systems Revenue is received from the users of these services. Forsyth Township has a water and sewer system that provides service to a portion of the township. The water and sewer users pay entirely for the operation, repairs and upgrades to the systems. The revenue generated by the systems stay within the specific fund and no other income is used to operate these systems. The water and sewer systems have received low-interest bonds for much needed upgrades and improvements. The bonds will be paid back by the users of the systems.

Charges for Services are essentially user fees. Forsyth Township charges fees for services such as the ambulance or fire department. Fees also apply to various zoning permits as well as interment charges at the cemetery, etc. The user fees are set up to cover the cost of the actual service versus the cost of owning and maintaining the equipment along with having trained personnel required for the various departments.

Other Revenue is received from various areas such as contributions from other governmental entities for shared services, franchise fees, donations, and interest on investments.

SERVICES THAT GOVERNMENTS PROVIDE

Townships, by law, are responsible for assessing property as a basis for county and school taxation, and collecting taxes for all local units of government. Forsyth Township has gone far beyond the minimum requirements and provides a wide array of services to its residents. Examples are as follows:

Police Services	Volunteer Fire Department
Ambulance Service	Library
Cemetery	Planning and Zoning
Public Works	Senior Center and Services
Street Lighting	Transfer Station
Recycling	Water & Sewer
Community Center	Community Parks
Community Baseball Fields	Campground
Crossing Guards	Street Signs
Road Repairs and Improvements	Swimming Area
Various Community Promotions	Ordinances and Compliance
Sidewalks	Fire Signs
Ice Skating Rinks	Building/Facility Rentals
Shooting Range	Full-Time Office Staff
Snowmobile & ATV Trails	Canoe Launch

How Taxpayer Money is Spent:
Government Revenues and Expenditures

FORSYTH TOWNSHIP BUDGETS

Below is a list of the current Fiscal Year 2018-19 amended budgets by Fund. The General Operating budget's revenue is broken down by cost center and expenses by department.

GENERAL OPERATING FUND

REVENUES	
Account Description	
Property Taxes	1,315,325
License & Permits	50
State & Federal Grants/Revenue Sharing	601,000
Charges for Services	248,350
Fines & Forfeitures	0
Other Revenue	185,000
Interest Income	5,500
Total Revenues	2,355,225
Other Sources - Transfer from Other Funds	412,000
Total Revenues & Other Sources	2,767,225

EXPENSES	
Account Description	
Legislature	14,100
Supervisor	26,300
Audit	4,200
Assessing	188,900
Clerk	20,950
Board of Review	1,680
Treasurer	17,300
Tax Office	15,500
Office	90,850
Elections	11,360
Buildings & Grounds	148,400
Attorney	26,800
Cemetery	32,850
Misc	49,700

Fire Department	115,560
Sawyer Operations Authority	1,000
Misc Debris Committee	20,540
NMIS	1,060
Public Works	142,350
Road Work	220,650
Street Lighting	130,000
Landfill	1,000
Transfer Station	46,120
Ambulance	133,000
Senior Citizen Center	204,400
Planning & Zoning	3,000
Zoning Board of Appeals	1,350
Other Insurance	32,110
Contingency	50,000
Misc Expenses	23,000
Tax Refunds	45,500
Capital Outlay	188,000
Transfers Out	760,000
Debt Service	27,320
Total Expenditures	2,794,850
Budgeted Net Revenues (Expenditures)	(27,625)

POLICE FUND

Revenues	1,032,900
Expenditures	1,038,800
Budgeted Net Revenues (Expenditures)	(5,900)

AMBULANCE EQUIPMENT FUND

Revenues	93,300
Expenditures	50,400
Budgeted Net Revenues (Expenditures)	42,900

CLUBHOUSE/RECREATION FUND

Revenues	389,000
Expenditures	422,700
Budgeted Net Revenues (Expenditures)	(33,700)

REVOLVING FUND

Revenues	73,000
Expenditures	220,000
Budgeted Net Revenues (Expenditures)	(147,000)

LIBRARY FUND

Revenues	180,325
Expenditures	169,660
Budgeted Net Revenues (Expenditures)	10,665

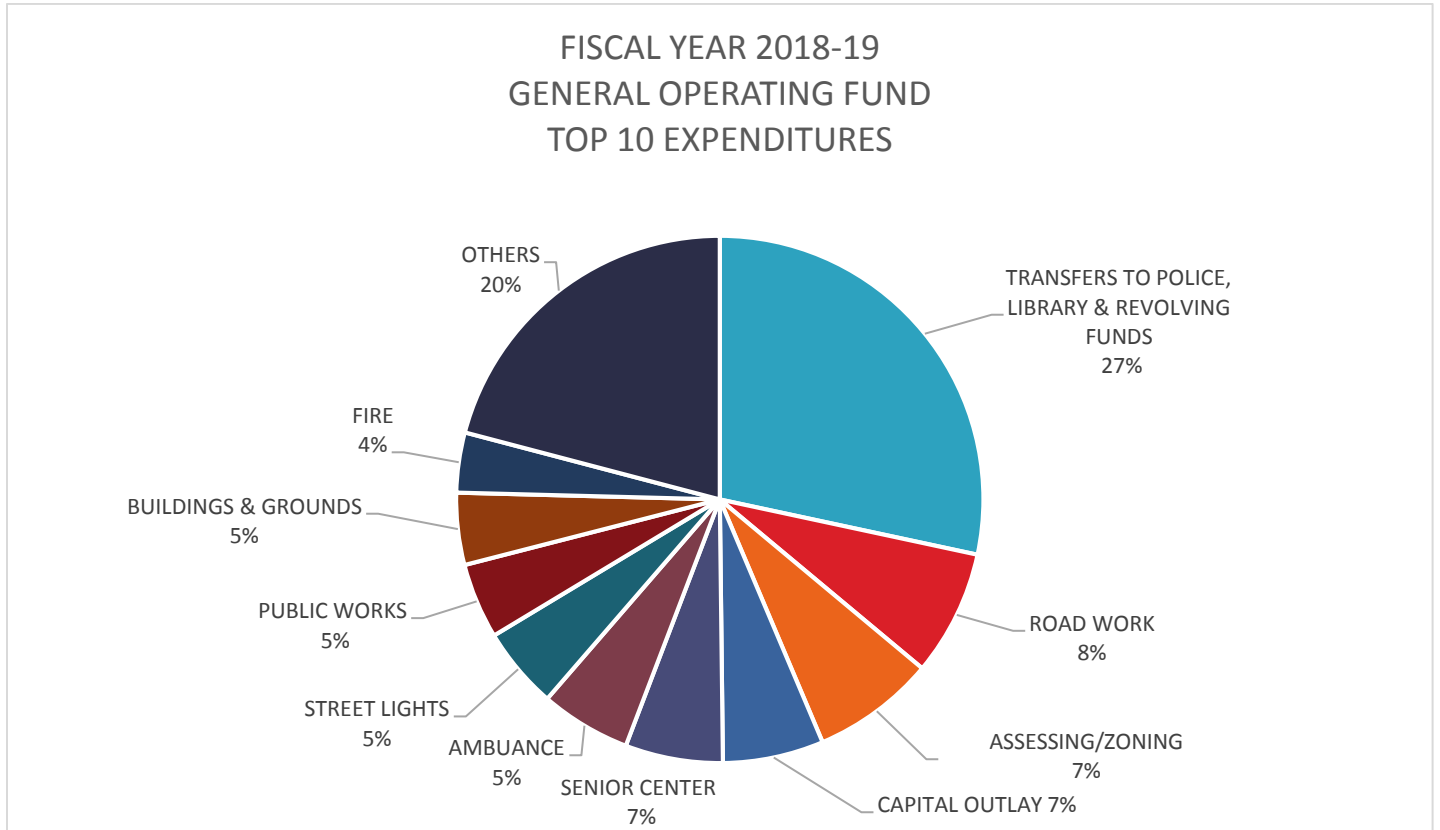
SEWER FUND

Revenues	346,000
Expenditures	321,235
Budgeted Net Revenues (Expenditures)	24,765

WATER FUND

Revenues	615,000
Expenditures	493,215
Budgeted Net Revenues (Expenditures)	121,785

Below is a chart representing the top ten budgeted General Operating Fund expenditures by percentage for fiscal year 2018-19:



PROJECTED FISCAL YEAR 2019-20 BUDGET

Forsyth Township’s General Operating revenue and expenses for next fiscal year are estimated to remain essentially flat when compared to the current year. The biggest variation is road work for next year will come from the Road Fund.

Revenues	2,550,000
Expenses	2,300,000
Capital Purchases	200,000

NUMBER OF GOVERNMENT EMPLOYEES

As of November 1, 2018, Forsyth Township has 31 permanent employees. This does not include township officials, volunteers for emergency services, election workers, temporary employees, board members for various required committees, etc.

Assessing/Zoning

Rebecca Stachewicz, Assessor/Zoning Administrator
Jennifer Jakubowski, Zoning Official/Assessing Aide

Library

Leslie Makela, Director
Leslie Willig
Bonnie Forgette
Tammy Castle
Colleen McGarry

Office

Lynn Rodgers, Bookkeeper/Deputy Treasurer
Paula Sirois, Payroll/Billing Specialist/Deputy Clerk
Stacy Filizetti, Board Secretary/Deputy Supervisor
Kathy Macario, Office Assistant

Senior Center

Brian Veale, Director
Michelle Borrett, Social Worker
Avis Meyers-Ketola, Outreach Worker

Police Department

Gordy Warchock, Police Chief
Brian Kjellin, Detective Sergeant
Jesse Cadwell, Sergeant
Stephen Mills, Corporal
Trevor Bourdreau, Police Officer
Justin Wonch, Police Officer
Todd Butler, Police Officer
Cassie Smith, Police Officer
Amanda Perry, Administrative Assistant

Public Works

Eric Jancsi, Superintendent & Water/Sewer
Len Fowler, Lead Man Buildings & Grounds
Paul Sirois, Lead Man Public Works
Michael Jakubowski, Equipment Operator
Todd Patterson, Mechanic
Richard Fowler, Laborer
Michelle Dean, Laborer
Zachery Kevern, Laborer

RESERVES AND MAJOR FUND BALANCES

This is a comparison of fund balances/retained earnings between fiscal years 2016-17 and 2017-18. As a reminder, the term does not represent the amount of money the township has. Fund balance also includes all receivables (monies owed to the township from various sources).

Fund Balances/Net Assets	FY 2016-17	FY 2017-18	Difference	Percentage Change
General Operating	1,586,085	1,649,438	63,353	3.99%
Perpetual Care	188,017	188,761	744	0.40%
Police	270,177	266,841	(3,336)	-1.23%
Ambulance Equipment	260,675	319,913	59,238	22.72%
Clubhouse/Recreation	573,308	624,763	51,455	8.98%
Revolving	831,766	1,155,695	323,929	38.94%
Library	127,176	143,901	16,725	13.15%
Sewer	1,384,309	1,390,524	6,215	0.45%
Water	2,237,731	2,265,148	27,417	1.23%
Total for Funds	7,459,245	8,004,984	545,739	7.32%

DEBT LEVELS

Below is a list of debt obligations Forsyth Township had outstanding as of March 31, 2018:

DESCRIPTION OF DEBT	FUND	DEBT OUTSTANDING AS OF 3/31/18
Fire Truck	General Operating	102,784
		<hr/> 102,784
2015 USDA Jr. Lien Bond	Sewer	1,681,000
		<hr/> 1,681,000
2007 Water Upgrades	Water	225,000
2015 USDA Jr. Lien Bond		4,618,000
		<hr/> 4,843,000
Total Capital Obligation		6,626,784

PENSION AND OTHER RETIREE BENEFITS

All permanent full-time employees (except the Assessor) are enrolled in the Michigan Employees Retirement System (MERS). All participating employees are required a five-percent contribution. Currently, senior members of the Police Department can retire at age 55 or 25 years of service. All new hire employees will be enrolled in a Hybrid Plan. All other participating members are eligible for retirement at age 60 or 30 years of service.

The township will provide \$186.00 per month for those retired employees wishing to remain on the township's health insurance from age 60 to 65, provided they have a minimum of twenty years of service.

The unfunded liability for employee retirement based on MERS actuarial was \$3,253,330 as of December 31, 2017. The unfunded liability for employee insurance was \$12,863 as of March 31, 2018.

How This Report Was Developed

The goal of this report was to provide the public with as much information as possible on the revenues, expenditures, and other financial activities of Forsyth Township. This report is a requirement by the State of Michigan so Forsyth Township can receive funds from the state that were previously provided through statutory revenue sharing. The projections for next year's budget are estimates based on information known today and are subject to change. If you have questions concerning this report, feel free to contact the township office Monday – Friday 7:30am to 4:00pm.