



FORSYTH TOWNSHIP'S 2019 Citizen's Guide



2019 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 2019-20 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 | 1,264,480 |
| License & Permits | 50 |
| State & Federal Grants/Revenue Sharing | 618,150 |
| Charges for Services | 279,260 |
| Fines & Forfeitures | 0 |
| Other Revenue | 204,370 |
| Interest Income | 15,000 |
| Total Revenues | 2,381,310 |
| Other Sources - Transfer from Other Funds | 331,500 |
| Total Revenues & Other Sources | 2,712,810 |

| EXPENSES | |
|----------------------------|---------|
| Account Description | |
| Legislature | 13,990 |
| Supervisor | 26,490 |
| Audit | 4,200 |
| Assessing | 241,220 |
| Clerk | 21,120 |
| Board of Review | 1,480 |
| Treasurer | 18,380 |
| Tax Office | 16,000 |
| Office | 95,440 |
| Elections | 9,570 |
| Buildings & Grounds | 185,820 |
| Attorney | 30,000 |
| Cemetery | 40,735 |
| Misc | 56,000 |

| | |
|---|------------------|
| Fire Department | 117,450 |
| Sawyer Operations Authority | 800 |
| Misc Debris Committee | 15,540 |
| NMIS | 1,060 |
| Public Works | 125,695 |
| Road Work | 875 |
| Street Lighting | 125,000 |
| Landfill | 1,000 |
| Transfer Station | 54,915 |
| Ambulance | 152,685 |
| Senior Citizen Center | 204,850 |
| Planning & Zoning | 3,665 |
| Zoning Board of Appeals | 1,850 |
| Other Insurance | 35,110 |
| Contingency | 50,000 |
| Misc Expenses | 26,000 |
| Tax Refunds | 52,500 |
| Capital Outlay | 212,500 |
| Transfers Out | 796,000 |
| Debt Service | 27,320 |
| Total Expenditures | 2,765,260 |
| | |
| Budgeted Net Revenues (Expenditures) | (52,450) |

POLICE FUND

| | |
|--------------------------------------|-----------|
| Revenues | 1,063,825 |
| Expenditures | 1,079,760 |
| Budgeted Net Revenues (Expenditures) | (15,935) |

AMBULANCE EQUIPMENT FUND

| | |
|--------------------------------------|--------|
| Revenues | 96,000 |
| Expenditures | 74,100 |
| Budgeted Net Revenues (Expenditures) | 21,900 |

CLUBHOUSE/RECREATION FUND

| | |
|--------------------------------------|-----------|
| Revenues | 388,500 |
| Expenditures | 597,615 |
| Budgeted Net Revenues (Expenditures) | (209,115) |

REVOLVING FUND

| | |
|--------------------------------------|----------|
| Revenues | 85,000 |
| Expenditures | 145,050 |
| Budgeted Net Revenues (Expenditures) | (60,050) |

LIBRARY FUND

| | |
|--------------------------------------|---------|
| Revenues | 174,280 |
| Expenditures | 174,200 |
| Budgeted Net Revenues (Expenditures) | 80 |

SEWER FUND

| | |
|--------------------------------------|---------|
| Revenues | 369,500 |
| Expenditures | 375,470 |
| Budgeted Net Revenues (Expenditures) | (5,970) |

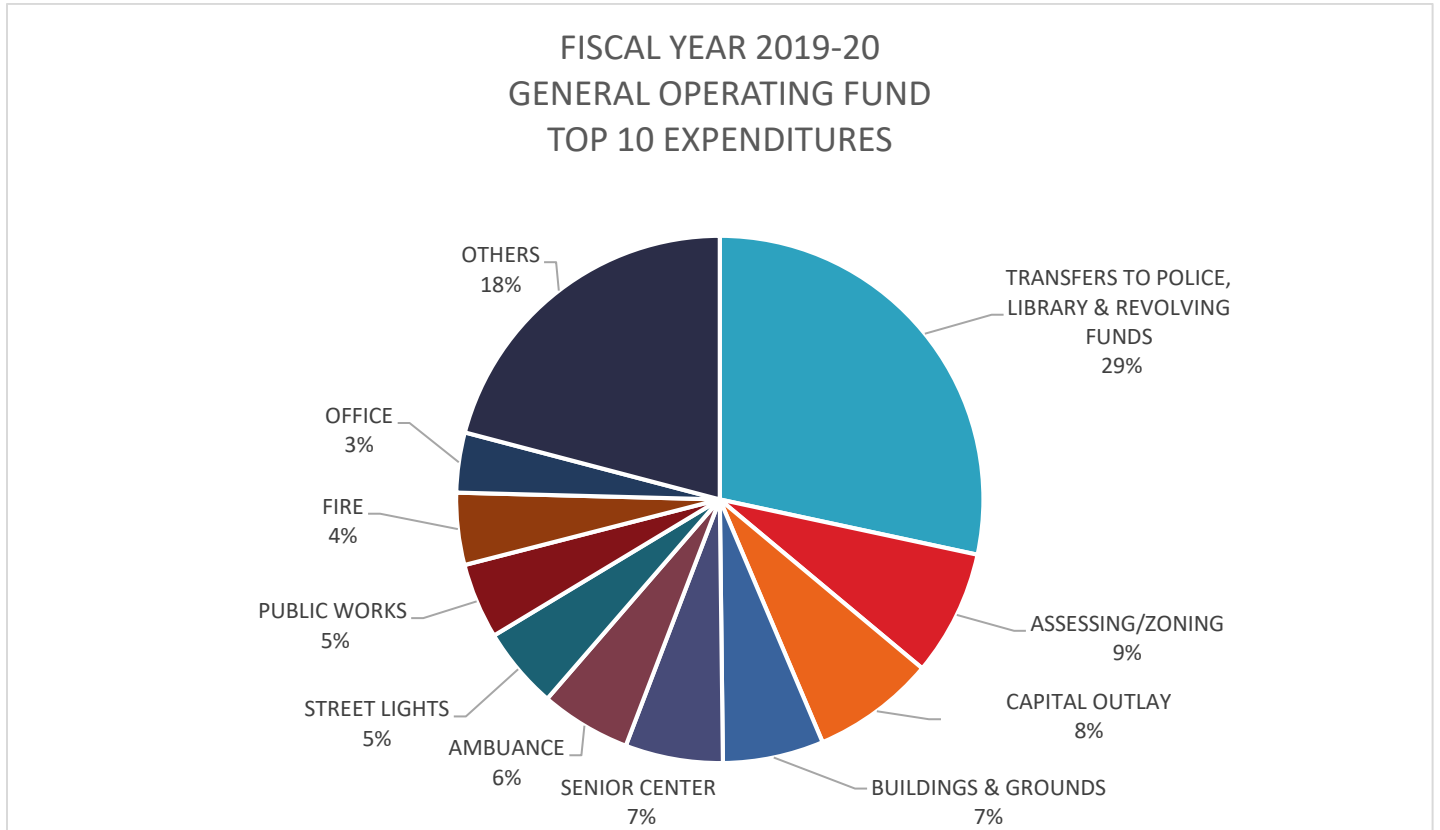
WATER FUND

| | |
|--------------------------------------|---------|
| Revenues | 650,500 |
| Expenditures | 654,310 |
| Budgeted Net Revenues (Expenditures) | (3,810) |

ROAD FUND

| | |
|--------------------------------------|---------|
| Revenues | 289,000 |
| Expenditures | 233,700 |
| Budgeted Net Revenues (Expenditures) | 55,300 |

Below is a chart representing the top ten budgeted General Operating Fund expenditures by percentage for fiscal year 2019-20:



PROJECTED FISCAL YEAR 2020-21 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.

| | |
|-------------------|-----------|
| Revenues | 2,570,000 |
| Expenses | 2,470,000 |
| Capital Purchases | 100,000 |

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

Maureen Hakes, Zoning Administrator

Jennifer Jakubowski, Zoning Official/Assessing Aide

Library

Leslie Makela, Director

Leslie Willig

Bonnie Forgette

Tammy Castle

Erin Piefer

Breanna Brolin

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

Brian Kjellin, Interim Chief/Detective
Sergeant

Jesse Cadwell, Sergeant

Stephen Mills, Corporal

Trevor Bourdreau, Police Officer

Cassie Smith, Police Officer

Zachery Burch, Police Officer

Justin Wonch, 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

Zachery Kevern, Laborer

RESERVES AND MAJOR FUND BALANCES

This is a comparison of fund balances/retained earnings between fiscal years 2017-18 and 2018-19. 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 2017-18 | FY 2018-19 | Difference | Percentage Change |
|---------------------------------|-------------------|-------------------|-------------------|--------------------------|
| General Operating | 1,649,438 | 1,579,900 | (69,538) | -4.22% |
| Perpetual Care | 188,761 | 191,168 | 2,407 | 1.28% |
| Police | 266,841 | 268,892 | 2,051 | 0.77% |
| Ambulance Equipment | 319,913 | 354,326 | 34,412 | 10.76% |
| Clubhouse/Recreation | 624,763 | 630,105 | 5,342 | 0.86% |
| Revolving | 1,155,695 | 1,019,260 | (136,435) | -11.81% |
| Library | 143,901 | 150,021 | 6,120 | 4.25% |
| Sewer | 1,390,524 | 1,409,057 | 18,533 | 1.33% |
| Water | 2,265,148 | 2,303,277 | 38,129 | 1.68% |
| Total for Funds | 8,004,984 | 7,906,006 | (98,978) | -1.24% |

DEBT LEVELS

Below is a list of debt obligations Forsyth Township had outstanding as of March 31, 2019:

| DESCRIPTION OF DEBT | FUND | DEBT OUTSTANDING AS OF 3/31/19 |
|--------------------------|-------------------|--------------------------------------|
| Fire Truck | General Operating | 78,028 |
| | | <hr/> 78,028 |
| 2015 USDA Jr. Lien Bond | Sewer | 1,733,000 |
| | | <hr/> 1,733,000 |
| 2015 USDA Jr. Lien Bond | Water | 4,542,000 |
| | | <hr/> 4,542,000 |
| Total Capital Obligation | | 6,353,028 |

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 \$3,415,335 as of December 31, 2018. The unfunded liability for employee insurance was \$98,758 as of March 31, 2019.

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.