



# ***FORSYTH TOWNSHIP'S 2017 Citizen's Guide***



2017 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*

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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 and ambulance equipment. The township has also been awarded various grants and donations for streets, park improvements, and emergency service vehicles and equipment purchases.

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*

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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
Clubhouse/Community Centers	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*

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**FORSYTH TOWNSHIP BUDGETS**

Below is a list of the current Fiscal Year 2017-18 amended budgets by Fund. The General Operating budget's revenue is broken down by cost center and expenses by department.

**GENERAL OPERATING FUND**

<b>REVENUES</b>	
<b>Account Description</b>	
Property Taxes	1,252,525
License & Permits	80
State & Federal Grants/Revenue Sharing	548,115
Charges for Services	275,910
Fines & Forfeitures	0
Other Revenue	207,700
Interest Income	5,000
Total Revenues	2,289,330
Other Sources - Transfer from Other Funds	205,000
<b>Total Revenues &amp; Other Sources</b>	<b>2,494,330</b>

<b>EXPENSES</b>	
<b>Account Description</b>	
Legislature	15,350
Supervisor	28,300
Audit	4,000
Assessing	188,600
Clerk	20,950
Board of Review	1,980
Treasurer	17,300
Tax Office	15,500
Office	91,800
Elections	11,380
Buildings & Grounds	110,200
Attorney	12,000
Cemetery	28,000
Misc	33,200
Fire Department	115,560
Sawyer Operations Authority	1,000
Misc Debris Committee	12,065
NMIS	1,060
Public Works	154,400
Road Work	91,650
Street Lighting	125,000
Landfill	1,000
Transfer Station	44,065
Ambulance	138,600
Senior Citizen Center	192,200
Planning & Zoning	6,230
Zoning Board of Appeals	1,630
Other Insurance	31,210
Contingency	50,000
Misc Expenses	17,000
Tax Refunds	49,500
Capital Outlay	149,500
Transfers Out	707,780
Debt Service	27,325
<b>Total Expenditures</b>	<b>2,495,335</b>
<b>Budgeted Net Revenues (Expenditures)</b>	<b>(1,005)</b>



## **POLICE FUND**

Revenues	961,270
Expenditures	1,001,540
Budgeted Net Revenues (Expenditures)	(40,270)

## **AMBULANCE EQUIPMENT FUND**

Revenues	88,600
Expenditures	5,200
Budgeted Net Revenues (Expenditures)	83,400

## **CLUBHOUSE/RECREATION FUND**

Revenues	539,100
Expenditures	587,530
Budgeted Net Revenues (Expenditures)	(48,430)

## **REVOLVING FUND**

Revenues	75,000
Expenditures	32,000
Budgeted Net Revenues (Expenditures)	43,000

## **LIBRARY FUND**

Revenues	173,855
Expenditures	178,370
Budgeted Net Revenues (Expenditures)	(4,515)

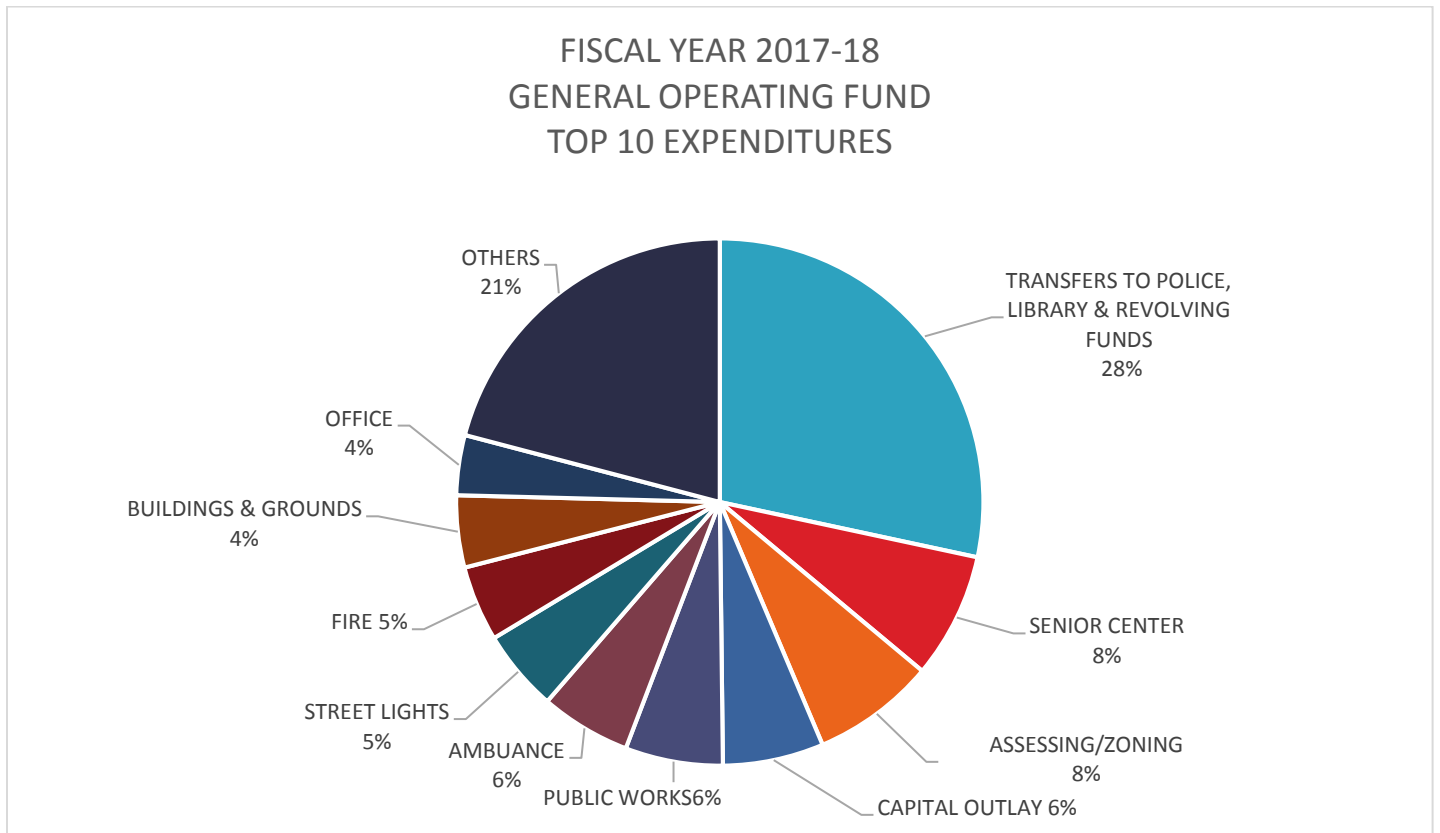
## **SEWER FUND**

Revenues	329,000
Expenditures	367,620
Budgeted Net Revenues (Expenditures)	(38,620)

## **WATER FUND**

Revenues	483,160
Expenditures	506,835
Budgeted Net Revenues (Expenditures)	(23,675)

Below is a chart representing the top ten budgeted expenditures of the General Operating Fund by percentage for fiscal year 2017-18:



**PROJECTED FISCAL YEAR 2018-19 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	2,450,000
Expenses	2,300,000
Capital Purchases	150,000

## NUMBER OF GOVERNMENT EMPLOYEES

As of November 1, 2017, Forsyth Township has 28 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  
Rodney Shaw, 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, Senior Citizens Director

### **Police Department**

Gordy Warchock, Police Chief  
Brian Kjellin, Detective Sergeant  
Jesse Cadwell, Sergeant  
Stephan Mills, Corporal  
Trevor Bourdreau, Police Officer  
Evan Leach, Police Officer  
Justin Wonch, Police Officer  
Tyson Ferrari, Police Officer  
Amanda Perry, Administrative Assistant

### **Public Works**

Eric Jancsi, Superintendent & Water/Sewer  
Len Fowler, Lead Man Buildings & Grounds  
Michael Jakubowski, Equipment Operator  
Paul Sirois, Lead Man Public Works  
Daryl Johnson, Mechanic  
Richard Fowler, Public Works  
Michelle Dean, Public Works

**RESERVES AND MAJOR FUND BALANCES**

This is a comparison of fund balances/retained earnings between fiscal years 2015-16 and 2016-17. 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).

<b>Fund Balances/Net Assets</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Difference</b>	<b>Percentage Change</b>
General Operating	1,597,418	1,586,085	(11,333)	-0.71%
Perpetual Care	185,121	188,017	2,896	1.56%
Police	210,122	270,177	60,055	28.58%
Ambulance Equipment	422,137	260,675	(161,462)	-38.25%
Clubhouse/Recreation	497,225	573,308	76,083	15.30%
Revolving	806,299	831,766	25,467	3.16%
Library	118,804	127,176	8,373	7.05%
Sewer	1,314,516	1,384,309	69,793	5.31%
Water	2,164,791	2,237,731	72,940	3.37%
<b>Total for Funds</b>	<b>7,316,433</b>	<b>7,459,245</b>	<b>142,812</b>	<b>1.95%</b>

## DEBT LEVELS

Below is a list of debt obligations Forsyth Township had outstanding as of March 31, 2017:

DESCRIPTION OF DEBT	FUND	DEBT OUTSTANDING AS OF 3/31/17
Fire Truck	General Operating	126,938
		<hr/> 126,938
2015 USDA Jr. Lien Bond	Sewer	1,639,000
		<hr/> 1,639,000
2007 Water Upgrades	Water	250,000
2015 USDA Jr. Lien Bond		3,841,000
		<hr/> 4,091,000
Total Capital Obligation		5,856,938

## 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 \$3,278,821 as of December 31, 2016. The unfunded liability for employee insurance was \$878 as of March 31, 2017.

## *How This Report Was Developed*

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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.