

**White Lake Township - Treasurer's Annual Report  
For the Year ended December 31, 2019**

Date: March 17, 2020

To: White Lake Twp. Board of Trustees

From: Mike Roman – Treasurer

Subject: 2019 Annual Treasurer's Report

All investments within Township funds are made in accordance with Michigan Public Act 20 per the Township's investment policy. Safety of capital is our foremost objective, followed by liquidity and finally yield.

**INVESTMENT INCOME**

General, Police and Fire fund investments earned approximately \$443,000 in interest income in 2019 utilizing mainly FDIC insured certificates and the Oakland County Municipal Pool. All of our Financial Institutions received five-star (superior) ratings through Bauer Financial Inc. which is an independent bank research firm. I have included these ratings in this package.

The average yield earned on General Fund, Police, Fire Dept. investments in 2019 was 2.0% compared to 1.14% in 2018. Market yield benchmarks are provided and are based on U.S. Treasury Bill yields and national average jumbo deposit yields. We exceeded all benchmarks which I have included in this package.

**LEGACY COSTS**

In regard to Legacy costs that affect White Lake Township, we continued funding our OPEB (Other post-employment benefits) liability by transferring \$765,000 to MERS (Municipal Employees Retirement System) in 2019. The OPEB transfers help to fund retiree healthcare obligations of the Township. Total transfers to MERS for OPEB amount to \$3,477,500 through the end of 2019. Our OPEB funds are currently invested in the MERS Total Market Portfolio. The value of these assets as of 12-31-19 amounts to \$ 4,065,552. The activity summary for calendar 2019 is attached along with MERS Total Market Portfolio information that describes this Portfolio's objective, asset breakdown and performance.

**TAXABLE VALUE WITHIN OUR TOWNSHIP**

Our 2019 Taxable value of our Ad Valorem tax roll increased from approximately \$1.117 billion to \$1.180 billion dollars an increase of approximately \$63 million dollars over the 2018 taxable value. As our general operating millage declined slightly due to the Headlee rollback, the increase in taxable value generated approximately \$46,000 in additional 2019 General Fund tax revenue over 2018.

**ASSET PROTECTION**

In regard to protecting our assets, we recently implemented positive pay service on all of our Township checking accounts. With positive pay, we now upload all checks to financial institution databases, to insure that all cleared checks are properly authorized. Check fraud has seen a huge increase just in the last 6 months.

## **FUND BALANCES**

Finally, regarding our Fund Balances, prudent spending has resulted in the following unaudited increases for the following operating funds for fiscal year 2019:

General Fund Balance increase of \$635,668 versus the budgeted increase of \$34,381.

Police Dept. Fund Balance increase of \$184,584 versus the budgeted decrease of \$207,062.

Fire Dept. Operating Fund Balance increase of \$259,073 versus the budgeted decrease of \$143,191.

The 04Fire fund balance that was slated for equipment acquisitions still had \$3,430,607 at the end of 2019, and even this fund came in better than budgeted. Its fund balance fell by \$359,390 while we had budgeted using up \$611,000.

I thank our Township Supervisor, our Dept. heads, and the entire Township Board for spending conservatively.

I hope this information is helpful to you. If you have any questions or comments, please don't hesitate to contact me at 248-698-3300 (ext. 120) or by email at [mroman@whitelaketwp.com](mailto:mroman@whitelaketwp.com).

Respectfully yours,

Mike Roman  
White Lake Township Treasurer

