

# SHELBY TOWNSHIP PRESS RELEASE

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## **Shelby Township outlines financial big picture, \$78 million long-term liabilities**

At The Shelby Township Board of Trustees' March 17 meeting, Township Supervisor Rick Stathakis and Finance Director Allan McDonald outlined Shelby Township's financial "big picture" to explain a complete view of the township's financial position.

The presentation displayed that, while the township's annual operating budgets are sound with surpluses forecasted in the general fund, police fund and fire fund in 2015, other long-term costs such as \$78 million in combined pension and other postemployment benefit (OPEB) liabilities as well as major infrastructure needs must be taken into consideration when addressing the township's financial future.

"Surpluses are a very important part of this picture as they represent the driving force behind the township's ability to address long-term costs such as financial liabilities and future expenditures, but they're only one piece of the puzzle," Stathakis said. "While we've done a lot of good since 2008, Shelby Township is facing strong headwinds as we move into the future; \$78 million to be exact. This means that we still have much more work ahead of us."

McDonald outlined how moves such as closing the police and fire pension program to new hires and instituting a trust to invest OPEB funds have reduced long-term liabilities from a total of \$100.3 million in 2008 to a forecasted total of \$78 million in 2015.

"The good news is we're coming down from where we were at \$69 million for a net deficit in 2008 to \$55.8 million in 2015," McDonald said of the township's overall financial picture of liabilities minus available reserves. "This is a net difference of \$13.2 million to the good. We've been able to take surpluses from the last couple of years to pay down the liabilities and also put money into tangible assets such as a new police station and road funding."

Along with the \$13.2 million improvement in its net deficit, the Township has also invested more than \$15 million in infrastructure since 2008.

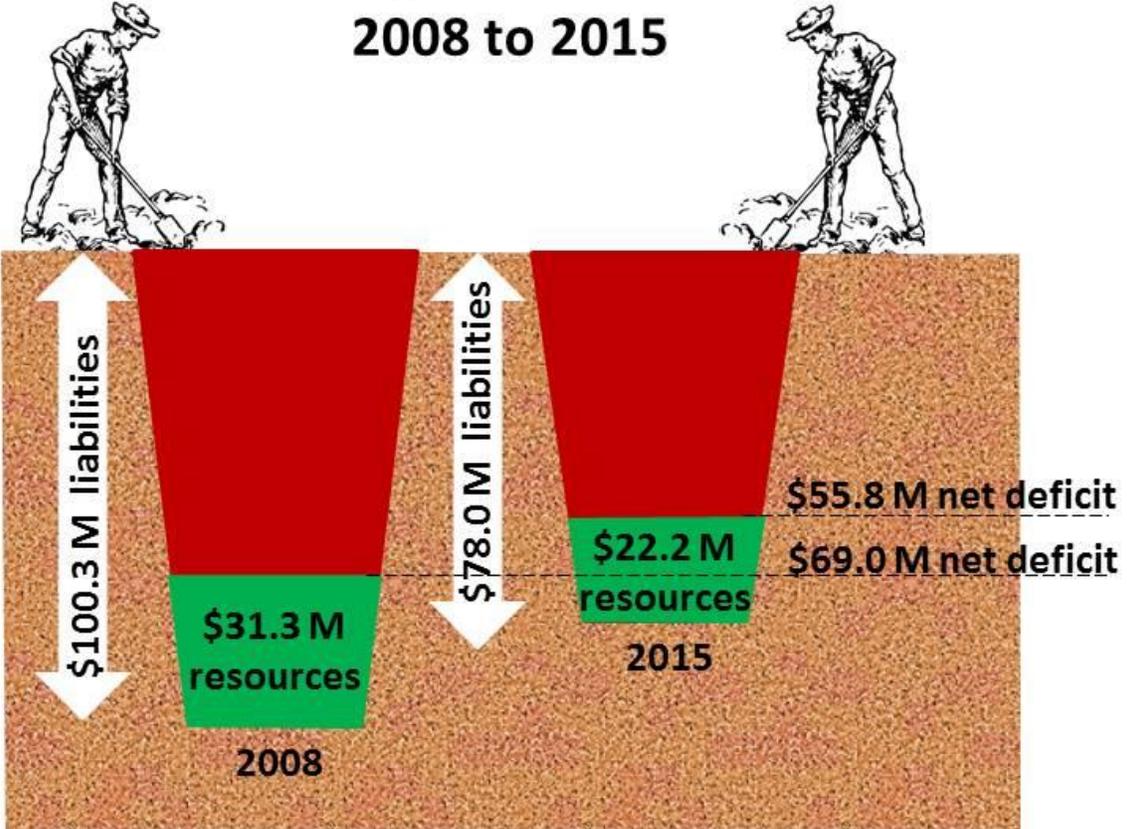
"When you add up the new police station at \$4 million, the renovation of Fire Station No. 1 for \$3 million, Gene Shepherd Park for \$1 million and \$7 million for the roads, plus \$13.2 million better on our net deficit, that is \$28.2 million in improvement," Stathakis said. "Since 2008 this Board has governed over unprecedented progress, but our job is not even close to done."

Despite the improvements, Stathakis said projects such as renovations to the community center, more road repairs and the township's \$79 million in long-term liabilities make it necessary to maintain the current path of reduced costs and fiscal responsibility.

"I am proud that, since 2008, our conservative Board of Trustees and the hard-working employees of Shelby Township have reduced day-to-day expenses to make surpluses possible as well as effect real change to township policy to reduce financial liabilities," Stathakis said. "And I know, if we stay true to our principles, we can continue the progress."

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# Shelby Charter Township Financial Big Picture Comparison 2008 to 2015



Over 7 years, Shelby's financial position has improved by \$13.2 M