



CASCADE CHARTER TOWNSHIP

5920 Tahoe Drive SE Grand Rapids, Michigan 49546-7140

M E M O

TO: Board of Trustees
DATE: September 23, 2025
RE: **FY 2026 Budget Development**

I am pleased to present the proposed FY 2026 budget for your consideration. Financially, the upcoming year is planned to maintain a stable level of service and operations, *and* continue the implementation of several Board priorities.

This budget reflects our commitment to maintaining financial stability while continuing to invest in our team, projects, and strategic goals. Through careful planning and collaboration, we've identified key areas where we can allocate resources effectively to support our initiatives and drive growth.

Key highlights of the balanced budget include:

1. **Capital Improvements:** We're allocating funds to new projects that align with our strategic vision, ensuring long term sustainability.
2. **Operational Efficiency:** We've identified areas where we can optimize costs without compromising quality or service, allowing us to best serve the community.
3. **Employee Development:** A portion of the budget is dedicated to professional development and training opportunities, recognizing that our greatest asset is our team.
4. **Sustainability Initiatives:** We're committed to enhancing our sustainability efforts, which not only benefits the environment but also positions us favorably in the market. The efforts to preserve Cascade are represented in various areas.

As we move forward, I encourage open dialogue and collaboration. Your insights and feedback are invaluable as we implement this budget and strive toward our collective goals.

General Fund

	2025 Original Budget	2026 Budget Request	Percent Change
General Fund Revenues			
Taxes	2,906,103	3,086,577	6.2%
Licenses & Permits	446,900	425,100	-4.9%
State and Federal Grants	2,270,593	2,270,593	0.0%
Charges for Services	116,000	114,000	-1.7%
Interest & Rents	416,800	485,800	16.6%
Other Revenue	630,530	1,261,600	100.1%
Transfer In	-	-	
Total Budgeted Revenues	6,786,926	7,643,670	12.6%
General Fund Expenditures			
Personnel Services	3,431,142	3,380,007	-1.5%
Supplies	116,150	113,850	-2.0%
Other Services & Charges	2,550,084	3,048,850	19.6%
Capital Outlay	333,700	448,000	34.3%
Transfer Out	41,750	45,000	7.8%
Debt Service	414,100	417,000	0.7%
Total Budgeted Expenditures	6,886,926	7,452,707	8.2%

Items of Note – General Fund

Revenues

- *Property Tax:* The Township’s FY 2026 “Taxes” category is projected to increase by 6.2% when compared to the 2025 adopted budget. Three large factors influence this number: taxable values, millage rates; and property tax administration fees.
 - Between new construction and the inflationary increase allowed by Proposal A, the Township’s taxable value has risen by 5.52%, to just over \$2.3 billion.
 - Millage rates were set at the Board’s June 11th meeting, when the L-4029 was adopted. In 1979, voters approved a maximum General Fund operating levy of 1.1000 mills. Due to multiple Headlee reductions, the maximum has been reduced to 0.9506 mills. Based on the Township’s Taxable Value, the 0.1494 mill reduction equates to roughly \$345,000 less in property tax income.
 - Because Property Tax Administration Fees (PTAF) are percentage-based, the amount collected increases as overall tax collections for all units rise. The Township devotes many resources toward the administration of property tax, from developing and defending property valuations (Assessing) to creating and printing bills and collecting payments (Treasurer). All taxing units (local and intermediate schools, the County, Kent District Library, etc) benefit from the Township’s activities, which State law requires the Township to provide almost free of charge. To compensate for this inequity, the State allows a one percent PTAF to be added to individual tax bills. PTAF is rising by 8%, comparing FY 2025 to FY 2026. This is 28.5% of the Taxes category.

Licenses and Permits: This category has a small (less than \$22,000) decrease, which translates to a 4.9% change in the category. This category includes Cable TV franchise fees. This revenue has steadily declined, as fewer households choose traditional cable

subscriptions.

- *State and Federal Grants:* The bulk of this category is comprised of State Shared Revenue from sales tax, and Local Community Stabilization Act (quasi personal property tax) revenue. This category has been conservatively budgeted to remain flat.
- *Charges for Services:* This category includes planning and zoning fees, sewer and water hookup fees, passport processing, and cemetery fees. This category also historically included a \$2,000 budget for P.A. 198 (property tax abatement) fees, of which \$1,000 has been collected in the past 2 ½ years. This \$2,000 budget has been reduced to zero for administrative ease.
- *Interest/Rents:* This category is always a challenge to forecast. A modest increase in interest earnings is forecast. This shouldn't be interpreted that an interest rate increase is expected; rather, it is a recognition that the FY 2025 budget was appropriately conservative, which allows for small incremental increases. Income from Parks rentals has been increased from \$6,000 in FY 2025 to \$20,000 in FY 2026, to reflect additional usage based on improved athletic fields. This category also houses the revenue received from the dam lease payments, rental of land for the cellular tower at the site of the former Township Hall, and income from parks rentals.
- *Other Revenue:* The great majority of this category is the Cost Allocation Plan (CAP), also known as indirect cost recovery. The CAP measures the amount of benefit that other Funds receive from General Fund effort. During the development of the FY 2024 budget, the concept of collecting indirect costs was presented. Because the model for charging indirect costs was new to the Township, a very conservative budget number had been used. That number is being brought closer to actual for FY 2026.

Expenditures

- *New Department – no new costs:* A new Information Technology (IT) Department is proposed for the FY 2026 budget. Historically and currently, IT costs were spread across the General, Fire, and Building Funds as invoices were received. This process, while clearly efficient, isn't effective at recognizing that *all* Township Funds benefit from the use of IT. In addition, it was somewhat awkward for one manager to spend other managers' budgets. The IT Department will be included in the Cost Allocation Plan indirect cost recovery, so costs will be spread across all benefitting Funds. Per the State Chart of Accounts, the new IT Department number is 228.
- *Personnel:* The overall General Fund personnel cost decrease of 1.5 % is the result of:
 - The loss of 3.5 full-time equivalent employees in the Assessing Department;
 - Planned step increases for the majority of Township staff, in accordance with the recently-adopted Compensation Plan;
 - An across-the-board wage adjustment, again in accordance with the recently-adopted Compensation Plan;
 - An updated method of assigning health insurance costs to positions. The full "Hard Cap" amount has been budgeted per position, instead of examining each

position to determine if the current occupant has single, double, or family coverage.

- The rising cost of the MERS Defined Benefit pension plan Unfunded Accrued Liability (“UAL”) payment. The UAL represents the difference between the value of the benefits that have been promised to staff over the years, and the value of the Township’s contributions (that are converted into investments). From FY 2025 to FY 2026, the UAL payment has increased 18 percent (from \$165,355 to \$195,026). Rising payments are expected through 2039. Because the annual UAL amount is dependent upon investment returns (higher returns = less Township UAL), annual contributions aren’t able to be forecasted with certainty. Looking back, the UAL contribution, for all Funds, was \$279,636 in FY 2022; it will be \$518,208 in FY 2026 – an 85% increase in 4 years. MERS’ annual UAL contribution calculation assumes a 7% interest rate, which is the highest interest rate of all of the Township’s debt. It should be noted that this pension plan has been closed to new participants for quite a few years; all but 6 current staff are covered by the MERS defined contribution plan, which has no UAL.
- *Supplies:* This category is relatively flat, varying only \$2,300 in a category that is just over \$100,000. A small increase in Parks and Building and Grounds supplies is offset by a small decrease in Elections supplies.
- *Other Services and Charges:* This category contains a significant number of accounts, and is a significant driver of the budget. This category houses the \$550,000 Roads program (increased by \$50,000 from FY 2025), where the Township partners 50-50 with the Kent County Road Commission. This ongoing project is included in the FY 2026-2031 Capital Improvement Program. This category also includes the new Assessing contract (estimated to be \$275,000), as an offset to the Assessing decrease in Personnel. The new IT Department has \$200,000 in expenditures in this category. Some of this amount represents a simple intra-Fund shift in Departments from Administration to IT; some of the amount also represents the IT Department assuming costs that the Fire and Building Funds previously housed, and which will be recouped through the Cost Allocation Plan. On its face, the spring and fall cleanup program budget is doubling, from \$65,000 to \$130,000. This is to bring the budget in line with actual usage, which was \$110,000 in FY 2024. The Other Services and Charges category is where the \$90,000 tree installation program is housed; it continues in FY 2026.
- *Capital Outlay:* The one-time nature of capital outlay leads to large swings in amounts from one year to the next. Capital projects that are contained in the recently-approved Capital Improvement Plan are included in the FY 2026 budget numbers, as are small purchases that don’t meet the threshold for inclusion in the CIP.
- *Transfers Out:* The ever-so-small increase of \$2,300 is due to a slight increase in a transfer (from \$1,750 to \$5,000) to the Cemetery Perpetual Care Fund (#151), along with an unchanging \$40,000 to the Dam Major Repair Fund (#211).
- *Debt Service:* The General Fund budget includes debt service for the recent construction of Fire Station 1.

Special Revenue Funds:

	2025 Original Budget	2026 Budget Request	Percent Change
Special Revenue Funds Revenue			
Taxes	8,067,688	8,529,161	5.7%
Licenses & Permits	2,649,500	2,879,500	8.7%
State and Federal Grants	2,248,562	207,683	-90.8%
Charges for Services	205,000	205,000	0.0%
Interest & Rents	715,841	745,841	4.2%
Other Revenue	89,326	15,089,326	16792.4%
Transfer In	68,750	68,750	0.0%
Total Budgeted Revenues	14,044,667	27,725,261	97.4%
Special Revenue Funds Expenditures			
Personnel Services	5,315,082	5,576,996	4.9%
Supplies	185,355	229,060	23.6%
Other Services & Charges	3,512,273	4,621,570	31.6%
Capital Outlay	5,434,851	18,443,175	239.4%
Transfer Out	1,061,764	147,000	-86.2%
Debt Service	420,553	450,320	7.1%
Total Budgeted Expenditures	15,929,878	29,468,121	85.0%

Items of note – Special Revenue Funds

Revenue:

- *Property Tax Revenue:* All Funds that receive tax dollars have been updated to the current millage rates (keeping the Headlee reduction in mind) and taxable value.
 - The Fire Fund continues the strategy developed during the 2024 millage renewal campaign: the recently-authorized 1.37 mills (reduced to 1.3638 due to Headlee), and the 0.4969 (formerly 0.5013) mills that expires in 2033 have been included in the budget; the 0.2222 mills from the levy that expires at the end of FY 2027 has not been included.
 - The Library Fund’s recently-approved (November of 2024) 0.15 mills has been reduced to 0.1493 mills due to Headlee. This revenue provides approximately 70 percent (\$325,000 of the total \$462,000) of the Library’s revenue.
 - Special Assessment revenue for the Laraway Lake and Thornapple River Improvement Districts is projected to remain level, after a FY 2025 budget right-sizing to reflect early payoffs; individual amounts charged to property owners are unchanged.
- *Licenses and Permits:* This category houses the Building Inspection Fund’s revenue. Revenue is tracked by municipality. The interplay of some units’ permits being up (primarily Ada Township and East Grand Rapids), and others’ projected to stay level, results in a 8.7% category increase.

- *State and Federal Grants:* Since 2022, the majority of this category revolved around the use of the Township's ~ \$2 million ARPA and CARES Act allocations. As ARPA dollars have been fully expended in FY 2025, there is a drastic fall in this category's revenue. This is offset by a matching fall in budgeted expenditures contained in the ARPA/CARES Act Fund 282.
- *Charges for Services:* This is a two-line category: a \$5,000 budget for Cemetery Care fees, and \$200,000 expected from water and sewer hookup fees in the IRF Fund. There is no reason to change the budgets from FY 2025 to FY 2026.
- *Interest and Rents:* This category is exclusively earnings on investments. Small changes to interest budgets across 11 Funds comprise the 4.2% increase.
- *Transfer In:* The five lines that comprise this category are Board-directed annual amounts. The largest, a \$40,000 Transfer from the General Fund to the Dam Major Repair Fund, is the sharing of lease payments from the Cascade Dam operator.

Expenditures:

- *Personnel:* The comments regarding General Fund personnel cost drivers hold true for all non-General Funds that have staff, which has typically been the Fire and Building Funds. New for FY 2026, the DDA budget reflects a fully-developed (e.g. wage and benefit details) staff position, instead of a lump-sum placeholder in the FY 2025 budget.
- *Supplies:* The somewhat large (23.6%) increase in this category is due to an accounting change. Prior to FY 2024, Federal grant dollars received for Fire turnout gear was netted against the expenditure. The proper accounting shows the expenditure at a gross amount, with a transparent revenue account, which is included in the State and Federal Grants category.
- *Other Services and Charges AND Transfer Out:* These categories are being addressed together, because their large percentage swings – one up, one down – are related. When considered as a single category, the difference from FY 2025 to FY 2026 is a 4.3% increase. The large swing between categories is due to an accounting change related to the Cost Allocation Plan. When the CAP was established, collections were recorded through the use of Transfers Out. The transactions are more appropriately considered Other Services and Charges, and have been moved. CAP costs *are* increasing, due to IT costs that will be spread across a wider base of Funds. The *Other Services and Charges* category also includes \$880,000 for the Sheriff contract; services related to the Thornapple River and Laraway Lake special assessments; and DDA special projects, as well as utility costs for all non-General Fund Township facilities. The large majority (\$125,000 of a \$147,000 category) of *Transfers Out* reflects a portion of Building Fund revenue for Cascade Township permits that are shared with the General Fund.
- *Capital Outlay:* Similar to the General Fund, all capital projects that are included in the 2026-2031 Capital Improvement Plan have been included in the FY 2026 budget. The DDA Fund's \$15 million project is the bulk of the category.

Next Steps

Staff will update the FY 2026 budget based on Board input received at the September 24th Worksession. Numbers will also be updated as new information is received.

The October 8th Board meeting agenda will include “Consideration of the FY 2026 Budget and Millage Rates”. All of the documents that make up a legal budget, including a draft Resolution, will be included in the packet. Final Board comments and feedback will be solicited. At that meeting, the Board will be asked to move the budget to the final adoption stage.

The October 22nd Board meeting will include a Public Hearing on the FY 2026 Budget and Millage Rates. After the Public Hearing, the Board will be asked to formally adopt the FY 2026 Budget and authorize Millage Rates.

Staff takes administrative action to implement the budget in BS&A and begin planning for FY 2026 activities. Finance staff recognizes the change in seasons from “Budget” to “Audit”.

Cascade Township

2026 Budget Presentation



ORGANIZATIONAL CHART

CASCADE TOWNSHIP

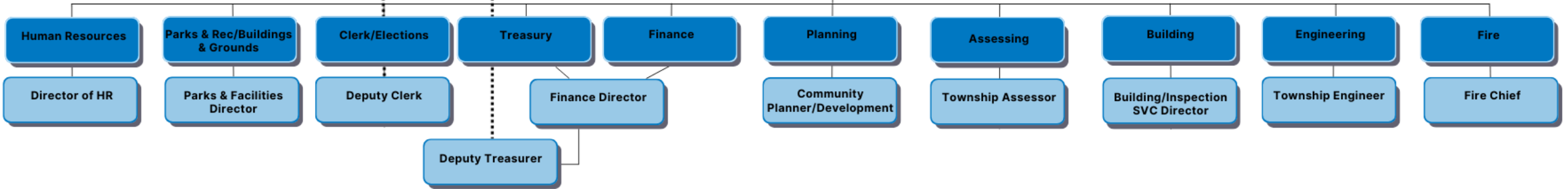
Citizens of
Cascade Township



Township Manager

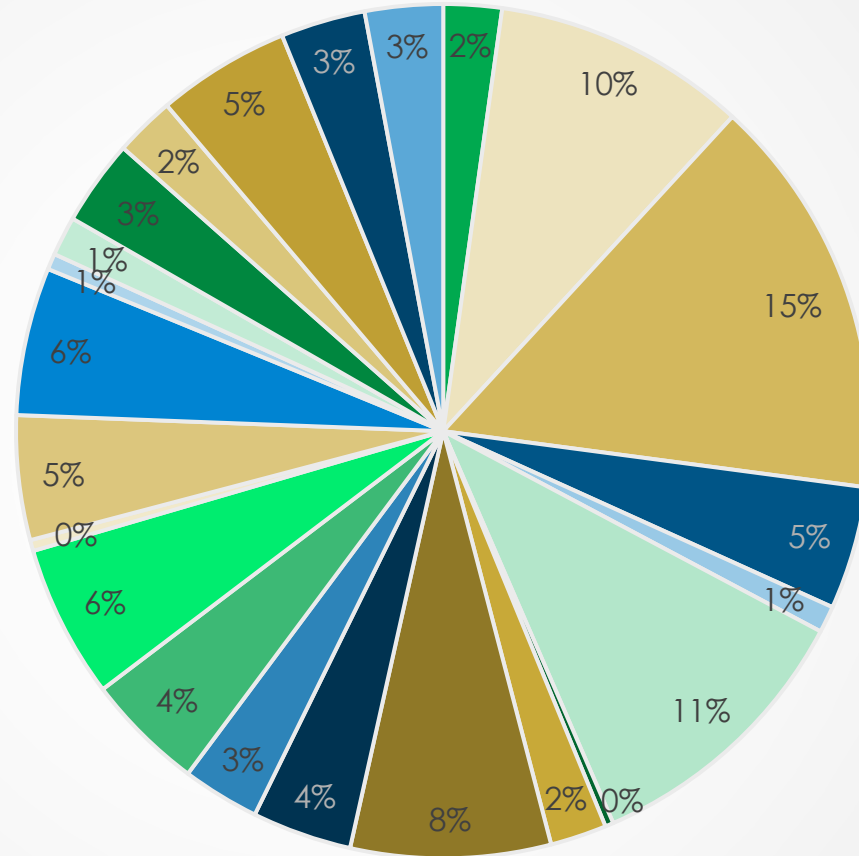
Administrative Staff

Departments



Draft FY 2026 General Fund

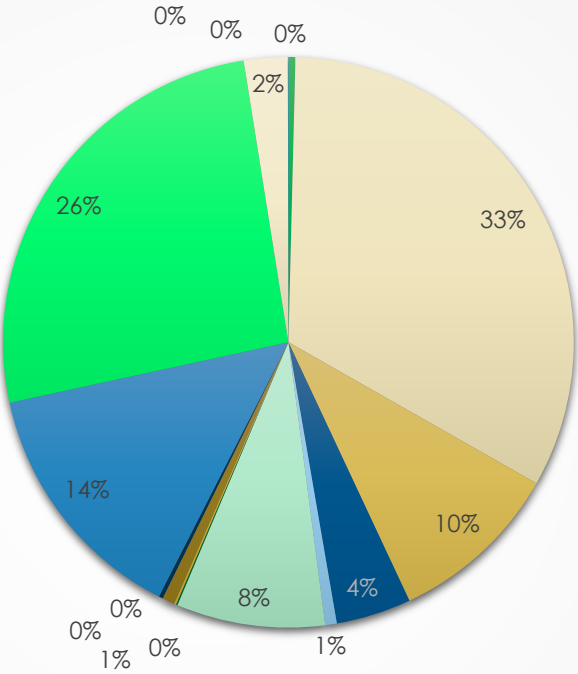
2026 Budget



- Township Board \$164,701
- Elections \$75,000
- Roads \$564,000
- Parks \$432,299
- Transfers Out \$45,000
- Township Manager \$375,782
- Admin \$717,230
- Building & Grounds \$798,931
- Engineering \$280,979
- Historical \$30,900
- Clerk \$110,839
- Finance \$238,659
- Benefits \$1,137,956
- Cemetery \$23,400
- Street Lights \$218,000
- Capital Outlay \$351,000
- Treasurer \$241,568
- IT \$220,000
- Assessing \$347,080
- Drains/Leaves \$159,000
- Planning \$333,949
- Debt Service \$417,000
- HR \$169,432

Draft FY 2026 All Other Funds

FY 2026 Expenditures



- Cemetery Trust \$51,000
- Police \$1,271,476
- Dam Major Repair \$85,000
- Hazmat \$11,250
- Thornapple River \$91,400
- IRF \$1,830,000
- Building \$3,360,061
- Cares Act \$0
- Fire \$4,262,168
- Open Space \$552,150
- Pathways \$1,093,050
- Laraway Lake Improvement \$14,500
- Brownfield Redevelopment Auth \$30,620
- DDA \$16,492,822 *Excluded from chart due to size & readability
- Library \$322,000
- Opioid Settlement \$4,000



2026 Highlights and Forecast

Administrative/Manager's Office

- ▶ New Information Technology (IT) department. Computer costs will be gathered in one spot to provide better coordination and management. Department 228
- ▶ Cost Allocation Plan (indirect cost allocation) continues to be applied. This covers administrative costs and shared costs that the GF incurs, including the IT department. Accounting for the CAP has been updated.

2026 Highlights and Forecast

Building Fund

- Revenue is forecasted unit by unit: Increases are tied to specific known projects or better budgeting (closer to historic trends) – varies by municipality
 - Each unit receives 20% of their revenue. Cascade deposits ours into the General Fund. This Fund also participates in the allocation of indirect costs.
 - Fund balance must stay in the Building Fund

IRF Fund

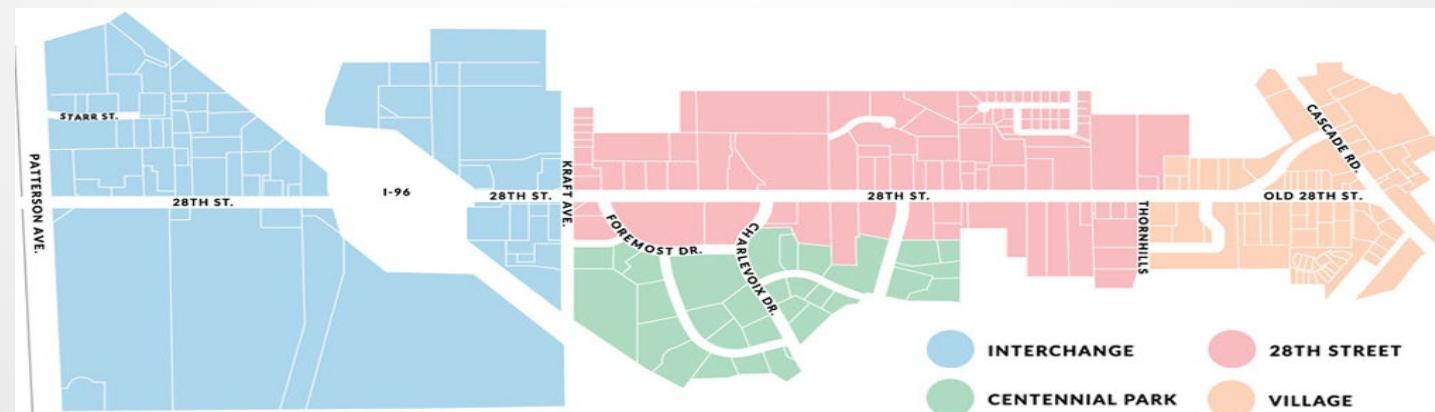
- \$1.5 million dedicated to land acquisition and preservation, per Board-approved 2026-2031 Capital Improvements Plan
- \$150,000 for Infrastructure Study



2026 Highlights and Forecast

Economic Development/DDA

- The 'Street Lights' line item will be carried over from 2025 to address frequent outages and issues
- \$15 mm Capital funding for Tassell Park village improvements, per the 2026-2031 Capital Improvements Plan
 - Timing on this will be determined by project scope as it is rolled out in the coming months.
- DDA Manager has been included to support the emphasis not only on the village but the overall district's needs. Administratively, this is the first outside of General, Fire, and Building Funds
- Funds for Transportation through Hope Network.



2026 Highlights and Forecast

Parks & Facilities

- ▶ The Parks & Facilities activities are funded by multiple budgets:
 - ▶ Parks
 - ▶ Building and Grounds
 - ▶ Pathways Millage
 - ▶ Open Space Fund
 - ▶ DDA
 - ▶ Historical Society (from the General Fund)
 - ▶ Cemetery Maintenance Fund
 - ▶ Revenue budget increased from \$6,000 to \$20,000 to reflect increased field usage



2026 Highlights and Forecast

Planning

- No budget for consultants – large projects should be complete by FY 2026
- Hotel Licensing is running smoothly; budget reflects annual license maintenance, not original licensing process

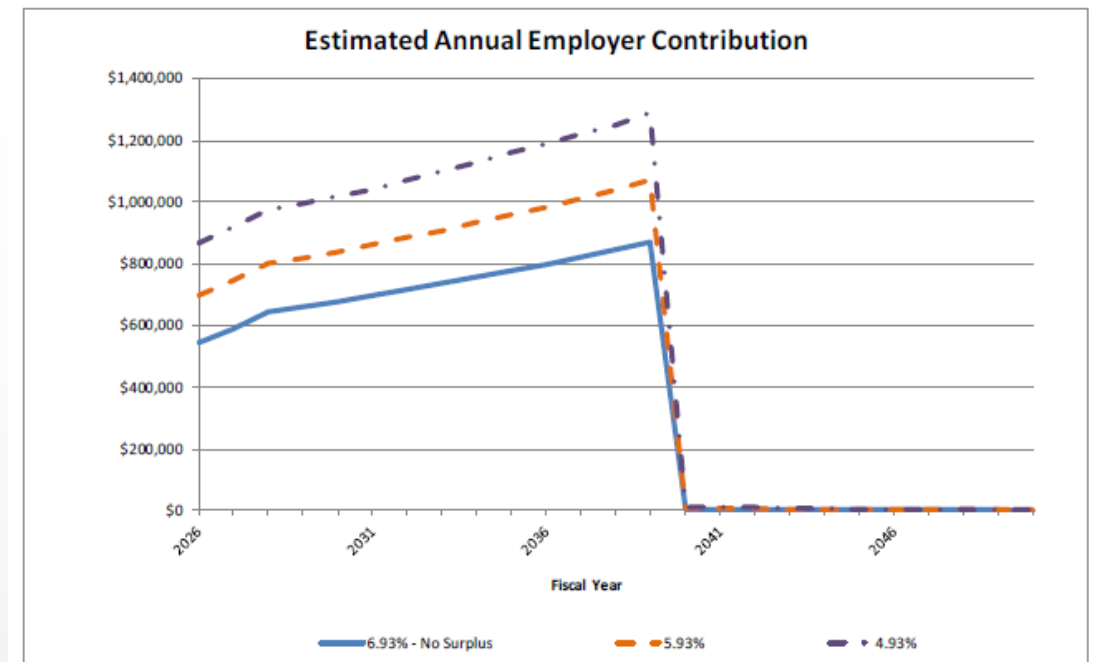
Engineering

- Tree Installation and Maintenance (\$90,000) is continued in 2026 in the Engineering Department.
- Pathways Fund oversight
- DDA Sidewalk improvements
- All infrastructure/road projects



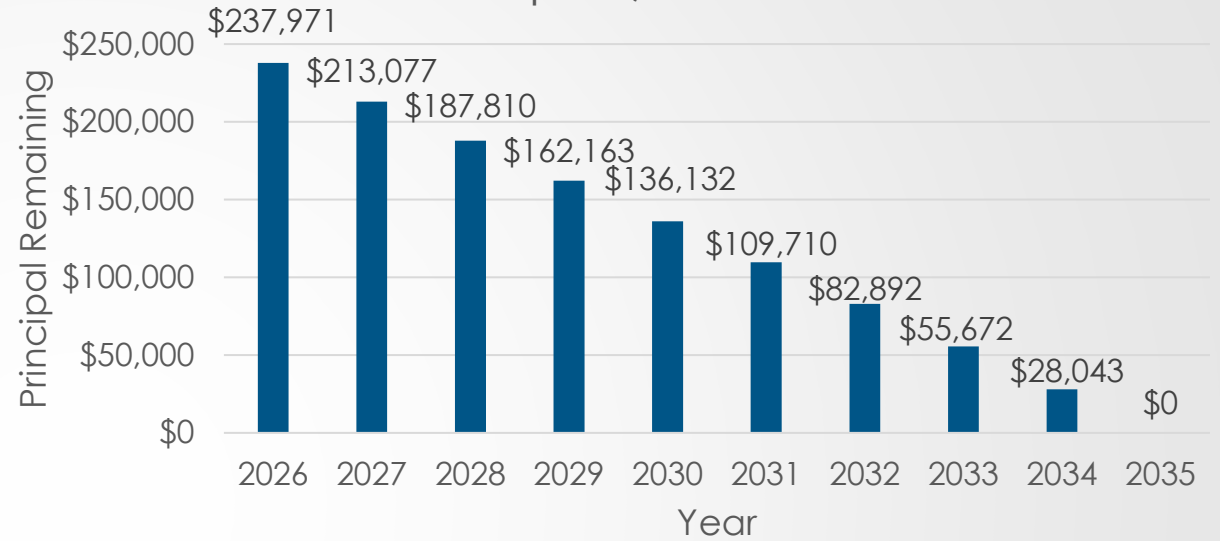
Personnel

- General Fund personnel costs decreased 1.5%
- Non-General Fund personnel costs increased 4.9%
- General Fund includes 3.5 fewer positions (Assessing)
- Most staff will see a step increase, plus a Cost of Living increase
- Health care costs limited to Hard Cap amount
- No new positions
- MERS payment of Defined Benefit plan UAL continues to rise - \$5.6 million funding gap

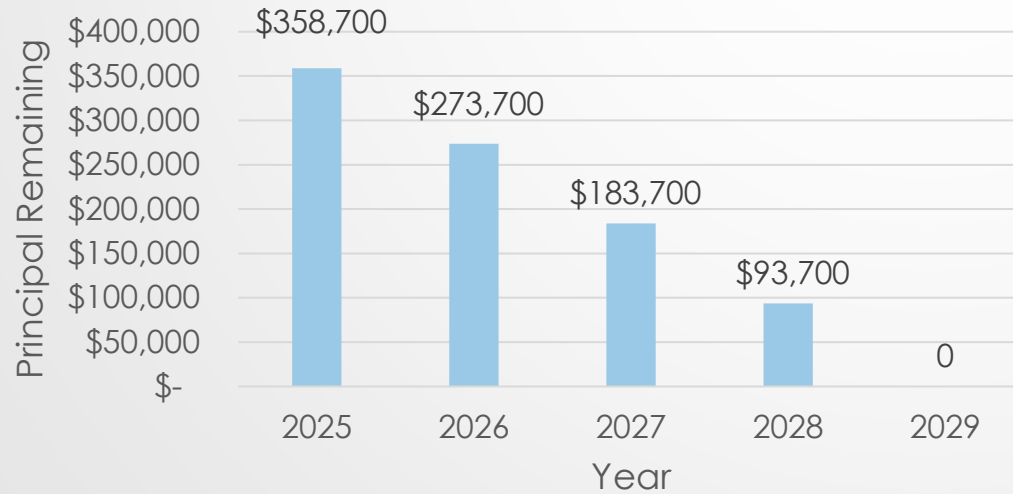


Debt Service

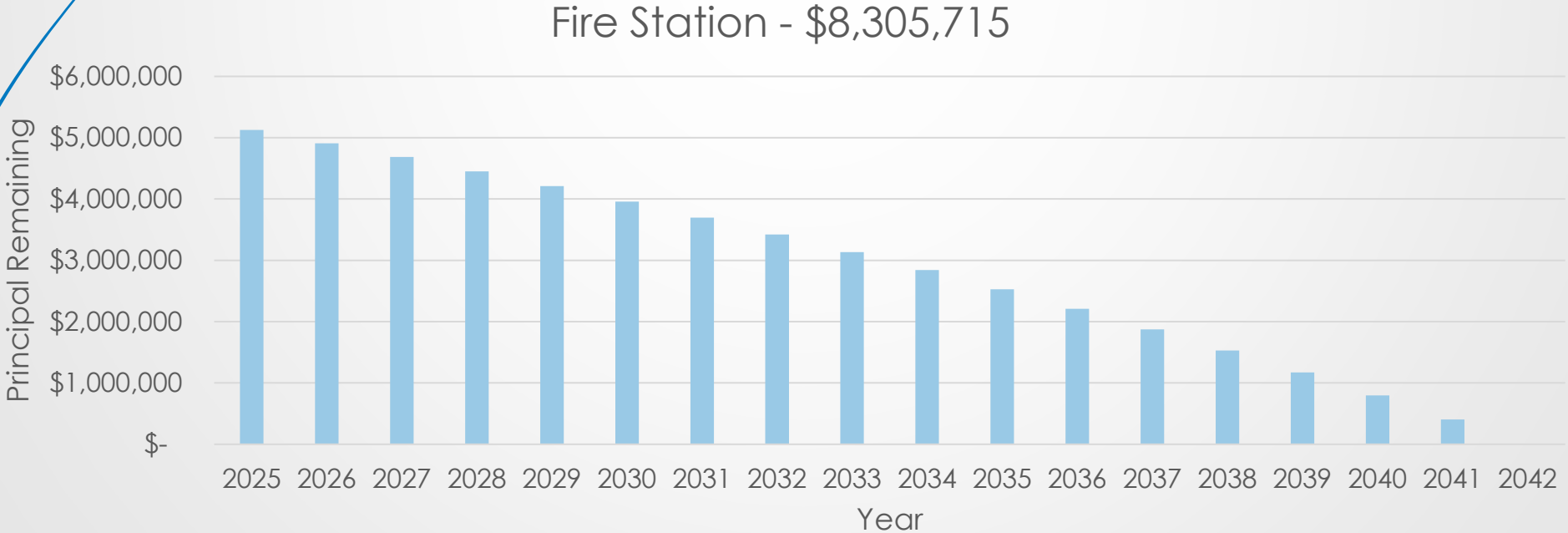
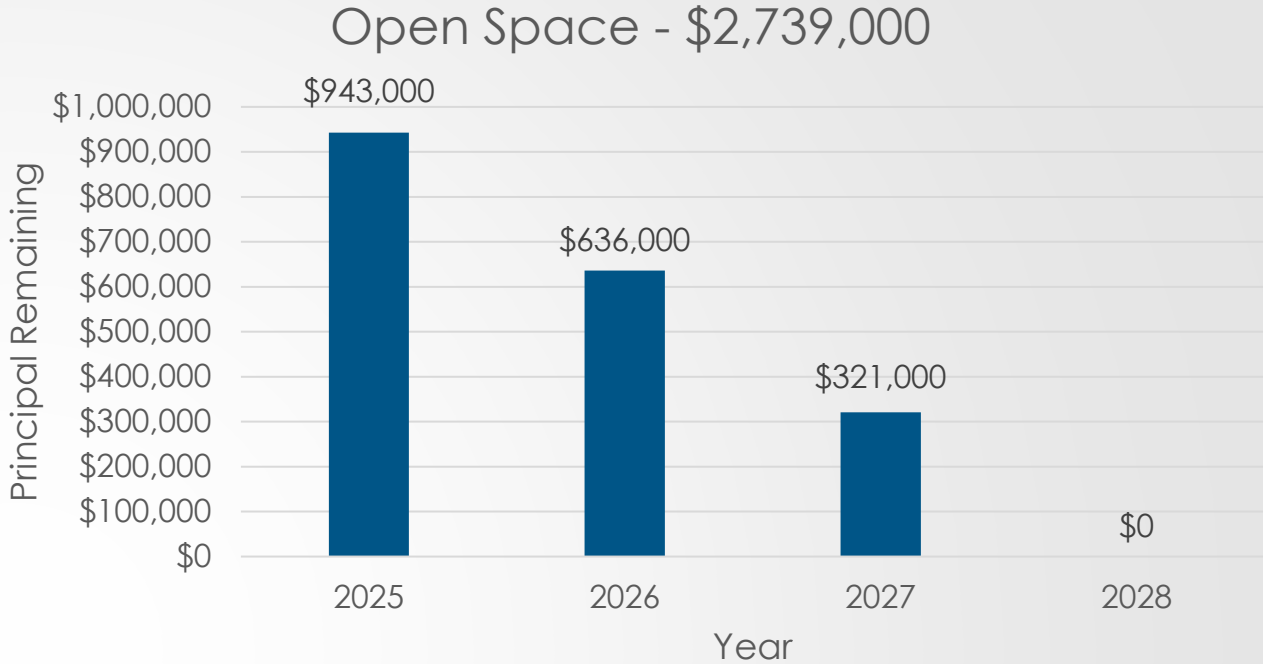
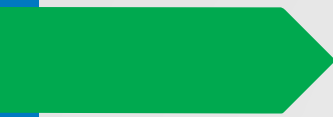
Brownfield Redevelopment Authority - \$313,000



Downtown Development Authority - \$800,000

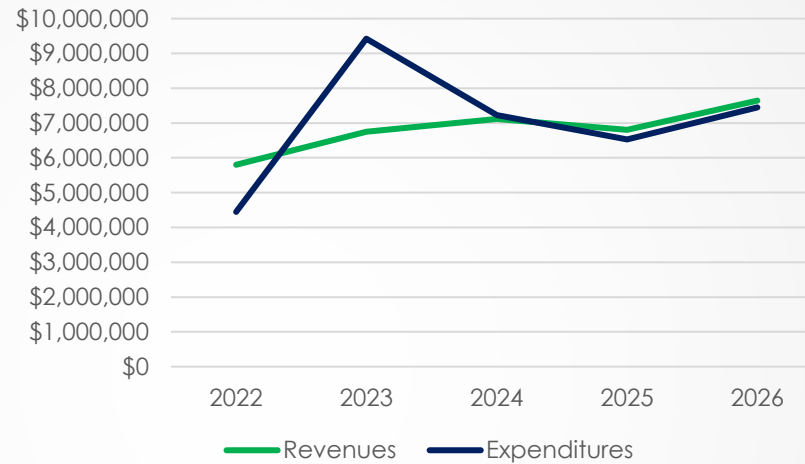


Debt Service

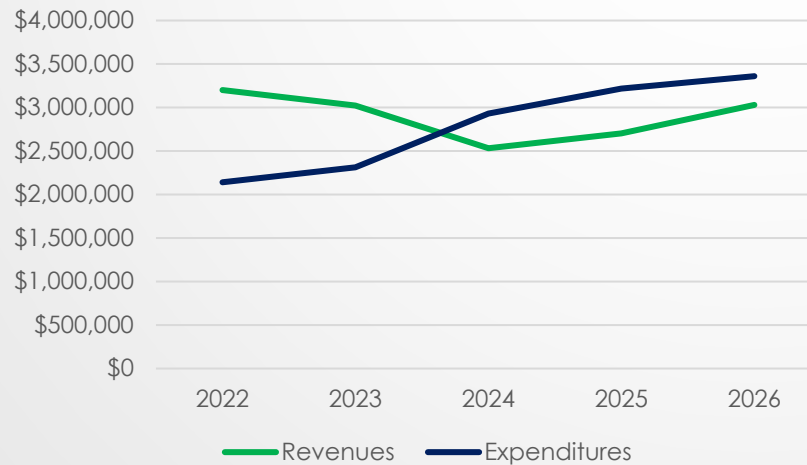


Historical Revenue and Expenditures

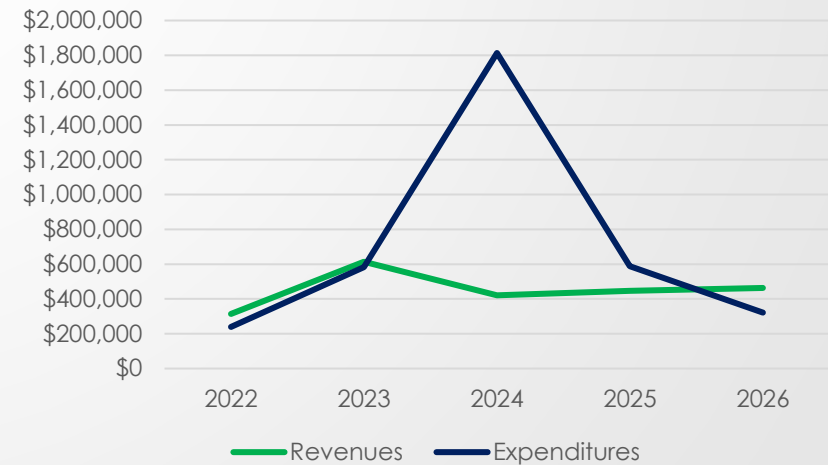
General Fund



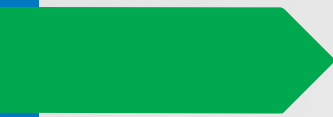
Building Fund



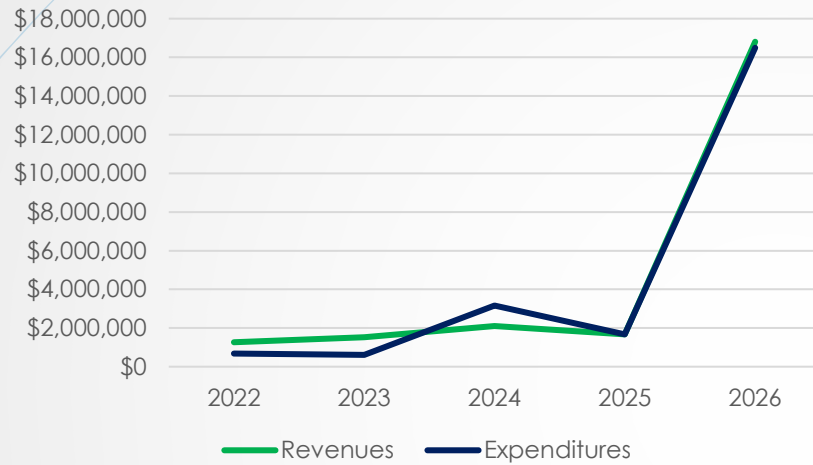
Library Fund



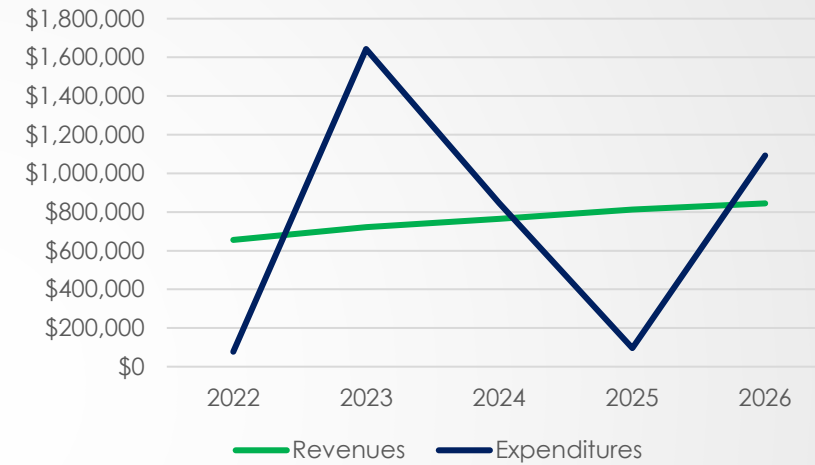
Historical Revenue and Expenditures



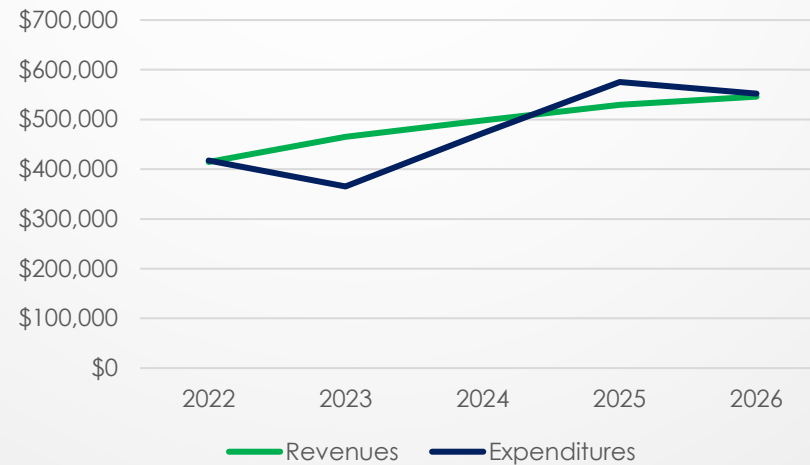
DDA Fund



Pathways Fund

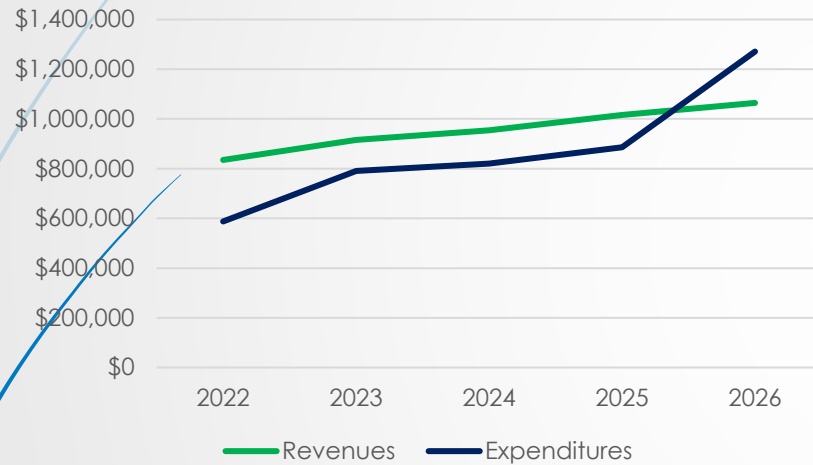


Open Space Fund

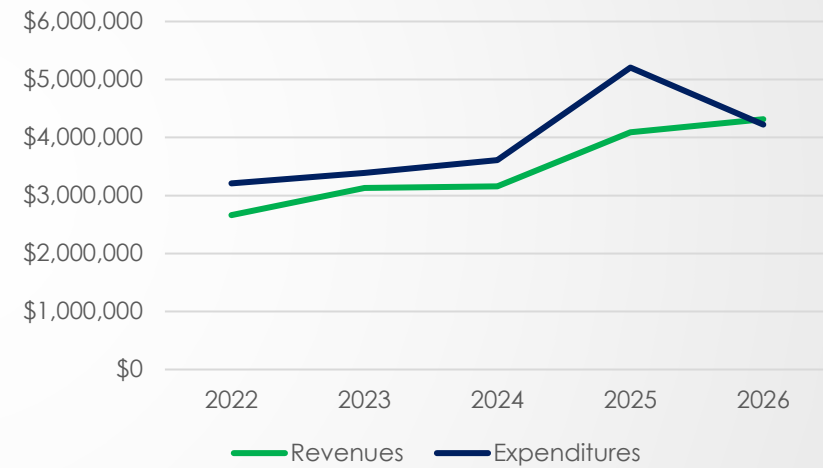


Historical Revenue and Expenditures

Police Fund



Fire Department Fund



Millage Rates and Dates

Purpose	Rate	Expiration
Police	0.2053	12/31/2027
Police	0.2435	12/31/2033
Fire	0	12/31/2027
Fire	0.4969	12/31/2033
Fire	1.3638	12/31/2043
Parks	0.2248	12/31/2027
Pathways	0.3438	12/31/2027
Operating	0.9506	Permanent
Library	0.1493	12/31/2033

Cascade Township In Action

