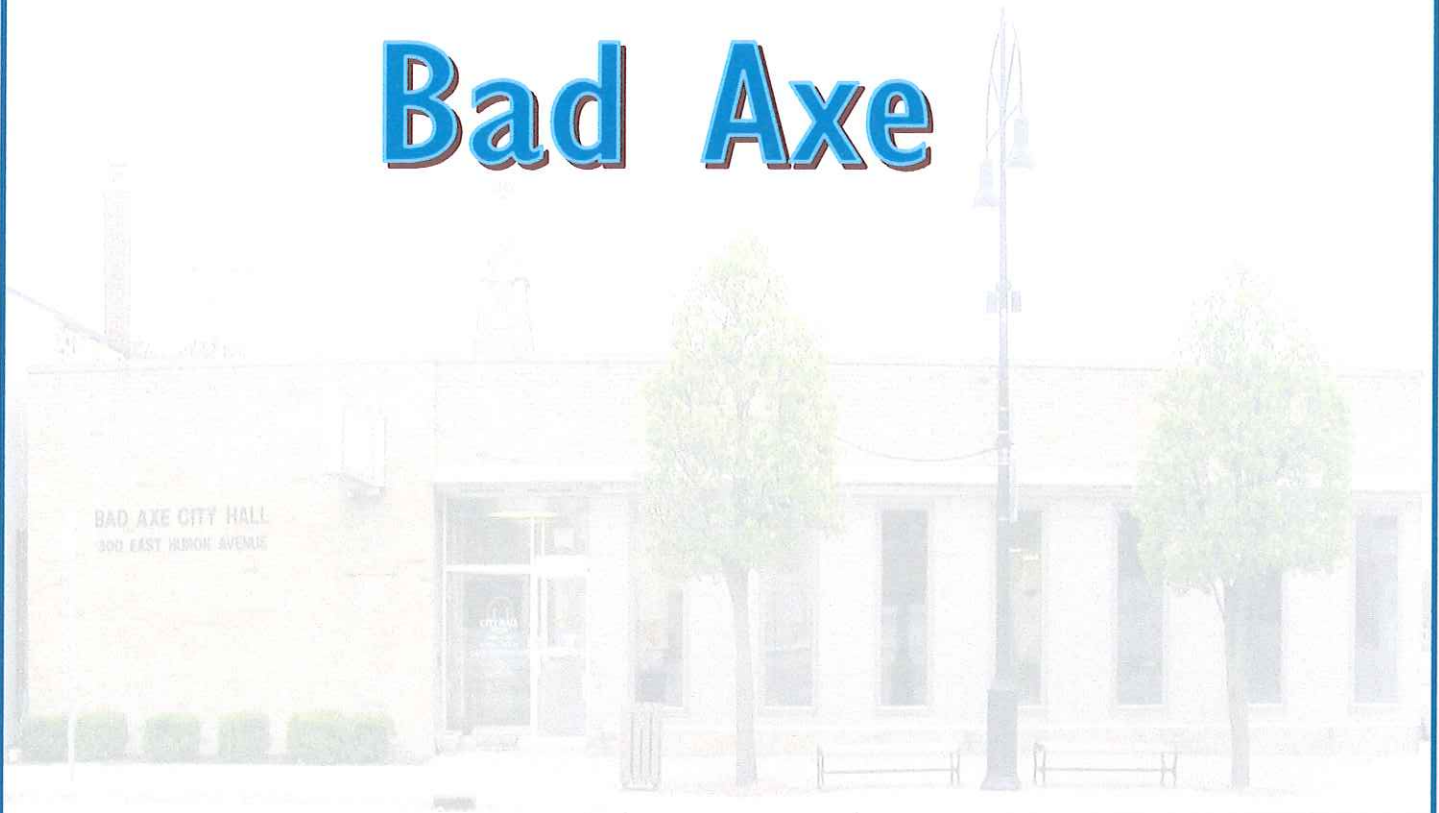


# City of Bad Axe



*Citizen's Guide*

*to*

*Local Finances*

*September 2017*

Dear Citizens,

As part of Governor Snyder's plan to rewrite the State's Mission Statement and reduce the overall budget, he has requested each municipality to create an Accountability and Transparency report.

The reports are called the Citizen's Guide and the Dashboard. These reports will be used to measure the City's progress in reducing expenses through shared services, operating efficiencies and employee contributions for benefits, and will supplement our annual independent audit.

We hope that these reports will help you understand the sources of revenue to operate the City, the services the City offers, and the cost of offering these services. They will also offer you the opportunity to compare the City of Bad Axe's financial information with other local governments, State government and private business.

Our job here at City Hall is to serve our local taxpayers. You are our priority and we appreciate all of your input.

If you have any comments or concerns please stop by to speak with me, email me at [dalevandevusse@cityofbadaxe.com](mailto:dalevandevusse@cityofbadaxe.com) or call me at (989)269-7681, and I will try to answer any questions you may have.

Dale VanDeVusse

City Manager

# How Bad Axe Uses Your Money

- Provide administration of all city business
- Provide administration for water and sewer service
- Provide 24 / 7 police protection
  - Police motorist assists
  - Funeral police escorts
  - Zoning Ordinance enforcement
- Provide fire and ambulance coverage
- Water and sewer service
- Individual contact with utility customers
- Build, maintain and repair streets and sidewalks
- Trash and recycling collection
- Leaf and Yard waste pickup
- Maintain city parks and ball fields
- Conduct a summer youth camp

**The City of Bad Axe participates in the Michigan Employees Retirement System (MERS).**

As of December 31, 2016, it was 58% funded.

The City of Bad Axe has no other post-employment benefits.

## Actuarial Accrued Liabilities and Valuation Assets As of December 31, 2016

Table 6

| Division                   | Actuarial<br>Accrued Liability | Valuation Assets <sup>1</sup> | Percent Funded | Unfunded<br>(Overfunded)<br>Accrued<br>Liabilities |
|----------------------------|--------------------------------|-------------------------------|----------------|--|
| 01 - Administration        |                                |                               |                |  |
| Active Employees           | \$ 3,296,885                   | \$ 724,634                    | 22.0%          | \$ 2,572,251                                       |
| Vested Former Employees    | 44,018                         | 36,220                        | 82.3%          | 7,798  |
| Retirees And Beneficiaries | 4,736,665                      | 3,942,694                     | 83.2%          | 793,971  |
| Pending Refunds            | <u>1,503</u>                   | <u>1,503</u>                  | 100.0%         | <u>0</u>   |
| Total                      | \$ 8,079,071                   | \$ 4,705,051                  | 58.2%          | \$ 3,374,020                                       |
| <b>Total Municipality</b>  |                                |                               |                |  |
| Active Employees           | \$ 3,296,885                   | \$ 724,634                    | 22.0%          | \$ 2,572,251                                       |
| Vested Former Employees    | 44,018                         | 36,220                        | 82.3%          | 7,798  |
| Retirees and Beneficiaries | 4,736,665                      | 3,942,694                     | 83.2%          | 793,971  |
| Pending Refunds            | <u>1,503</u>                   | <u>1,503</u>                  | 100.0%         | <u>0</u>   |
| Total Participants         | \$ 8,079,071                   | \$ 4,705,051                  | 58.2%          | \$ 3,374,020                                       |

<sup>1</sup> Includes both employer and employee assets.

Please see the Comments on Asset Smoothing in the Executive Summary of this report.

See Section 46 of the Plan Document for MERS Fiscal Responsibility policy, on the MERS website at:  
<https://employerportal.mersofmich.com/SharePointFormsService/Default.aspx?Publication=MERSPlanDocument.pdf>.