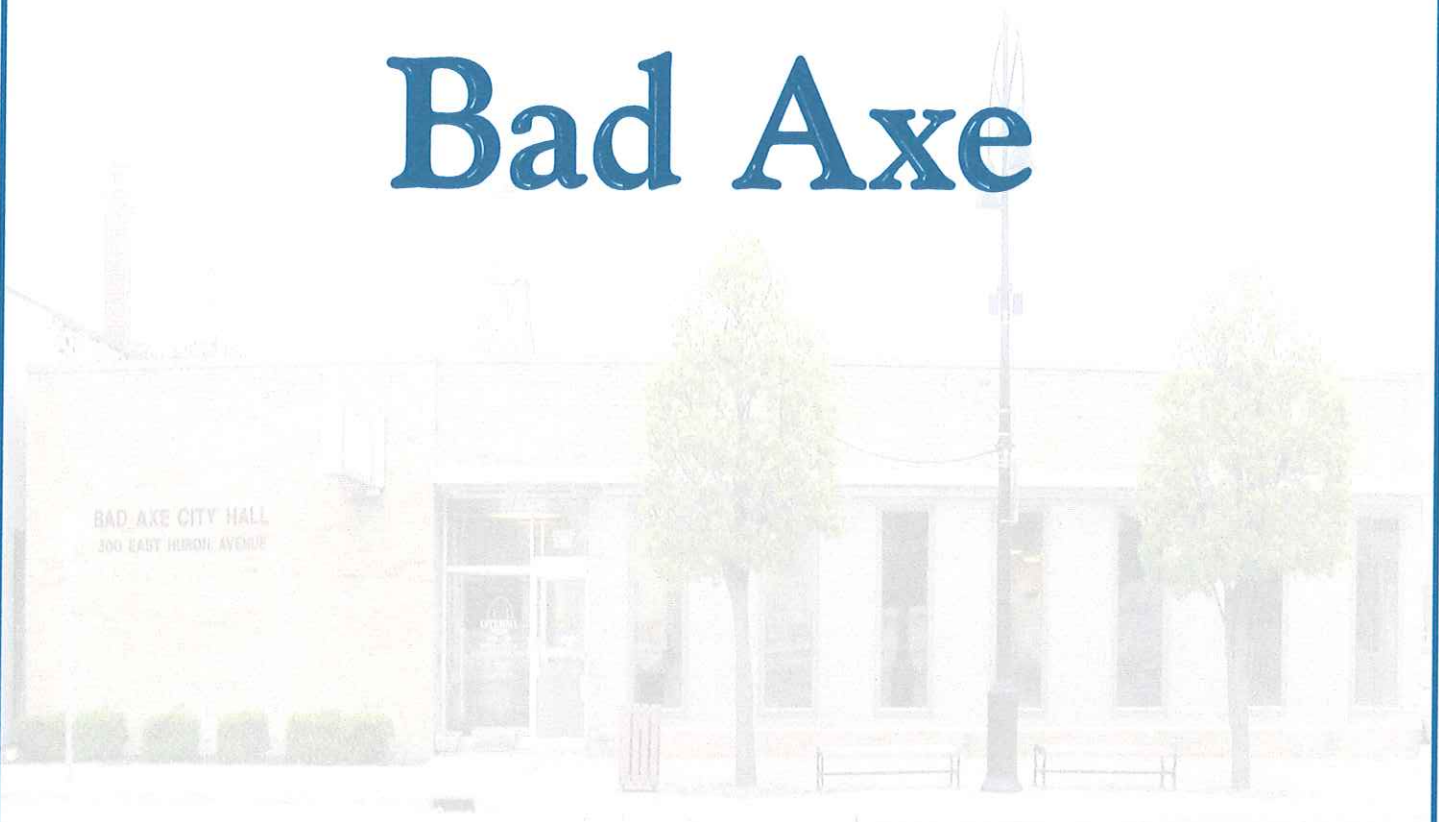


# City of Bad Axe



**Citizen's Guide  
to  
Local Finances**

**November 2016**

# CITY OF



# BAD AXE

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.

A handwritten signature in black ink, appearing to read "Dale VanDeVusse", with a long horizontal flourish extending to the left.

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, 2015 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, 2015

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           | \$ 3,435,206                   | \$ 707,404                    | 20.6%          | \$ 2,727,802                                       |
| Vested Former Employees    | 41,110                         | 35,915                        | 87.4%          | 5,195  |
| Retirees And Beneficiaries | 4,321,913                      | 3,780,154                     | 87.5%          | 541,759  |
| Pending Refunds            | <u>1,490</u>                   | <u>1,490</u>                  | 100.0%         | <u>0</u>   |
| Total                      | \$ 7,799,719                   | \$ 4,524,963                  | 58.0%          | \$ 3,274,756                                       |
| <b>Total Municipality</b>  |                                |                               |                |  |
| Active Employees           | \$ 3,435,206                   | \$ 707,404                    | 20.6%          | \$ 2,727,802                                       |
| Vested Former Employees    | 41,110                         | 35,915                        | 87.4%          | 5,195  |
| Retirees and Beneficiaries | 4,321,913                      | 3,780,154                     | 87.5%          | 541,759  |
| Pending Refunds            | <u>1,490</u>                   | <u>1,490</u>                  | 100.0%         | <u>0</u>   |
| Total Participants         | \$ 7,799,719                   | \$ 4,524,963                  | 58.0%          | \$ 3,274,756                                       |

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

Please see the Comments on Asset Smoothing.

See the MERS Fiscal Responsibility Policy on the MERS website at:

[http://www.mersofmich.com/Portals/0/Assets/PageResources/MERS/PlanDocument/Pension/MERSPlanDocument\\_Section46.pdf](http://www.mersofmich.com/Portals/0/Assets/PageResources/MERS/PlanDocument/Pension/MERSPlanDocument_Section46.pdf).

**Debt Service Requirements**

Local Government Name: City of Bad Axe  
 Local Unit Code: 322010  
 Current Fiscal Year End Date: 30-Jun-16

**2006 Wastewater Treatment Plant Improvements**

ISSUED June 22, 2006

**General Obligation Limited Tax**

State Revolving Loan fund, Clean Water Program Project #5244-01

**\$6,630,000.00**

| Years Ending      | Repayment                   | Principal           | Interest          | Total            |
|-------------------|-----------------------------|---------------------|-------------------|------------------|
|                   | Sewer Ready to serve charge |                     |                   |                  |
|                   |                             | \$                  | \$                | -                |
| Year 10 FYE 16-17 |                             | 325,000 \$          | 63,618 \$         | 388,618          |
| Year 11 FYE 17-18 |                             | 335,000 \$          | 58,338 \$         | 393,338          |
| Year 12 FYE 18-19 |                             | 340,000 \$          | 52,894 \$         | 392,894          |
| Year 13 FYE 19-20 |                             | 345,000 \$          | 47,368 \$         | 392,368          |
| Year 14 FYE 20-21 |                             | 350,000 \$          | 41,762 \$         | 391,762          |
| Year 15 FYE 21-22 |                             | 355,000 \$          | 36,075 \$         | 391,075          |
| Year 16 FYE 22-23 |                             | 360,000 \$          | 30,306 \$         | 390,306          |
| Year 17 FYE 23-24 |                             | 365,000 \$          | 24,456 \$         | 389,456          |
| Year 18 FYE 24-25 |                             | 375,000 \$          | 18,525 \$         | 393,525          |
| Year 19 FYE 25-26 |                             | 380,000 \$          | 12,432 \$         | 392,432          |
| Year 20 FYE 26-27 |                             | 385,000 \$          | 6,256 \$          | 391,256          |
| <b>Totals</b>     |                             | <b>3,915,000 \$</b> | <b>392,030 \$</b> | <b>4,307,030</b> |

**Maywood Drain**

Huron County Drain Assessment at large

ISSUED 8/1/2008

**\$66,423.00**

| Years Ending  | Repayment                         | Principal        | Interest      | Total         |
|---------------|-----------------------------------|------------------|---------------|---------------|
|               | Allocated Millage for annual pyt. |                  |               |               |
|               |                                   | \$               | \$            | -             |
| Year 5        |                                   | 6,642 \$         | 598 \$        | 7,240         |
| Year 6        |                                   | 6,642 \$         | 299 \$        | 6,941         |
|               |                                   | \$               | \$            | -             |
| <b>Totals</b> |                                   | <b>13,284 \$</b> | <b>897 \$</b> | <b>14,181</b> |

**Colfax & Bisset Drain**

Huron County Drain Assessment at large

ISSUED August 1, 2013

**\$182,958.31**

| Years Ending | Repayment                         | Principal | Interest | Total  |
|--------------|-----------------------------------|-----------|----------|--------|
|              | Allocated Millage for annual pyt. |           |          |        |
|              |                                   | \$        | \$       |        |
| Year 3       |                                   | 12,197    | 6,575    | 18,772 |
| Year 4       |                                   | 12,197    | 6,011    | 18,208 |
| Year 5       |                                   | 12,197    | 5,464    | 17,661 |
| Year 6       |                                   | 12,197    | 4,918    | 17,115 |
| Year 7       |                                   | 12,198    | 4,383    | 16,581 |
| Year 8       |                                   | 12,197    | 3,825    | 16,022 |
| Year 9       |                                   | 12,197    | 3,279    | 15,476 |
| Year 10      |                                   | 12,197    | 2,732    | 14,929 |
| Year 11      |                                   | 12,197    | 2,192    | 14,389 |
| Year 12      |                                   | 12,198    | 1,639    | 13,837 |
| Year 13      |                                   | 12,197 \$ | 1,093 \$ | 13,290 |

|               |         |                   |                  |                |
|---------------|---------|-------------------|------------------|----------------|
|               | Year 14 | 12,197            | 547              | 12,744         |
| <b>Totals</b> |         | <b>146,366 \$</b> | <b>42,658 \$</b> | <b>189,024</b> |

**DDA Parking Lot**  
**issued November 4, 2013**  
**Installment Contract - Northstar Bank**  
**\$80,000.00**

| <b>Years Ending</b> | <b>Repayment</b>             | <b>Principal</b> | <b>Interest</b> | <b>Total</b>  |
|---------------------|------------------------------|------------------|-----------------|---------------|
|                     | Tax Increment<br>Revenue DDA | \$               | \$              | -             |
| Year 3              |                              | 16,009           | 1,299           | 17,308        |
| Year 4              |                              | 16,432           | 876             | 17,308        |
| Year 5              |                              | 16,766           | 443             | 17,209        |
| <b>Totals</b>       |                              | <b>49,207 \$</b> | <b>2,618 \$</b> | <b>51,825</b> |