Michigan Department
Of Transportation
2088 (09/13)

PUBLIC ACT 51, SECTION 18j, MCL 247.668j
Annual Certification of Employee-related Conditions

CITY OR VILLAGE NAME City of Vassar

Beginning September 30, 2014, and annually each September 30 thereafter, certification must be made for compliance to Section 18j of Public Act 51 of 1951, MCL 248.668j. A local road agency must certify that it has (a) developed an employee compensation plan for its transportation employees as described OR (b) the local road agency must certify that medical benefits are offered to its transportation employees or elected public officials in compliance with the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.561 to 15.569, or, that it does not offer medical benefits to its transportation employees or elected public officials.

☐ Compliance with (a)
I certify compliance with MCL 247.668j (a).
Our compensation plan for transportation employees meets the minimum criteria of MCL 247.668j (a)(i - iv).

☑ Compliance with (b)
I certify compliance with MCL 247.668j (b), and as such, offer one of the following;
I certify that medical benefits are offered to the transportation employees or elected public officials.
Or, I certify that medical benefits are not offered to the transportation employees or elected public officials.

Per Act 152 of 2011, employees pay 20% towards their healthcare costs, excluding optical and dental coverage. (247.668j (b)(i))

☐ Non-compliance with (a) or (b)
I certify that we are not in compliance with MCL 247.668j.
I understand that failure to comply with certification of (a) or (b) of MCL 247.668j may result in the withholding of all or part of the distributions made to this local road agency from the Michigan Transportation Fund.

This form must be signed by the Street Administrator and the Treasurer or Financial Director.

SIGNATURE Brad Barrett		SIGNATURE Merri C Lemcke	
PRINTED NAME Brad Barrett		PRINTED NAME Merri C Lemcke	
TITLE Street Admin / city manager	DATE 8/7/14	TITLE Treasurer	DATE 8-7-14

Due Each September 30
Return the completed form to:
Michigan Department of Transportation, Financial Operations Division, P.O. Box 30050, Lansing, MI 48909

City of Vassar, Tuscola County
Annual Certification (MCL 247.668j)

Active Transportation Employees

Job Classification	Wage Rate
DPW Superintendent*	$23.56
DPW Utility Worker II	$14.15
DPW Utility Worker II	$14.15
DPW Utility Worker II	$20.22
Water Operations Manager	$21.21
Part Time / Seasonal Worker	$8.00
Part Time / Seasonal Worker	$8.00

*salary position

Vassar City Council (governing body)

Roger Bacon, Sr.	Mayor
Dan Surgent	Mayor Pro Tem
Henry Hornung	
Ted Gamet	
Dan Atkins	

City Council members can be contacted by calling Vassar City Hall at 989-823-8517.
Vassar City Hall is open Monday through Friday from 8:00 am - 4:30 pm.

City of Vassar

BUDGET WORKSHEET

Public Hearing
5-5-14 Meeting

	Prior Year Actual	Current Year Original Budget	Amende Budget	Actual January	Estimated Total	FY14 4th Quart	FY15 Budget	FY15 Approve
Fund: 202 - Major Street Fund								
Dept: 011.000 Revenue								
424.100 Road Improvement	42,138	41,831	41,831	0	41,831	**41831**	**39755**	
546.000 State Motor Veh.	139,345	139,122	139,122	59,686	139,122	**151811**	**133865**	
546.100 Local Road Program	5,001	5,001	5,001	2,083	5,001	**4992**	**4992**	
664.000 Interest	80	200	200	23	200	**100**	**100**	
675.100 Elm Street Project	0	0	0	0	0	**0**	**0**	
676.101 Contribution from	31,705	25,000	25,000	12,500	25,000	**25000**	**0**	
676.103 Transfer from Salt Barn	0	0	0	0	0	**0**	**0**	
683.000 Metro Act Revenue	7,302	6,600	6,600	0	6,600	**6600**	**6600**	
694.000 Miscellaneous Revenue	33,604	0	0	1,539	0	**1540**	**0**	
Revenue	259,175	217,754	217,754	75,831	217,754	231,874	185,312	0
Total Revenues	259,175	217,754	217,754	75,831	217,754	231,874	185,312	0
Dept: 464.000 Surface								
703.000 DPW Wages	1,956	2,000	2,000	902	2,000	**2000**	**1949**	
704.100 Superintendent Wages	0	0	0	0	0	**0**	**0**	
707.000 Part Time Salary or	44	200	200	0	200	**100**	**100**	
709.000 Overtime	0	0	0	0	0	**0**	**0**	
715.000 Social Security	145	168	168	64	168	**161**	**158**	
740.000 Operating Supplies	268	900	900	124	900	**900**	**4000**	
930.000 Contractual Repair &	0	0	0	0	0	**0**	**0**	
932.000 Metro Act Maintenance	0	0	0	0	0	**0**	**0**	
940.000 Equipment Rental	1,551	2,800	2,800	978	2,800	**2800**	**2884**	
971.300 Flood Labor	0	0	0	0	0	**0**	**0**	
971.400 Flood Material	0	0	0	0	0	**0**	**0**	
971.500 Flood Equipment Rental	0	0	0	0	0	**0**	**0**	
Surface	3,964	6,068	6,068	2,068	6,068	5,961	9,091	0
Dept: 466.000 Sweeping								
703.000 DPW Wages	739	1,000	1,000	351	1,000	**1000**	**974**	
707.000 Part Time Salary or	0	0	0	0	0	**0**	**0**	
709.000 Overtime	382	500	500	190	500	**400**	**400**	
715.000 Social Security	78	115	115	40	115	**107**	**105**	
940.000 Equipment Rental	3,889	5,000	5,000	1,606	5,000	**5000**	**5150**	
971.300 Flood Labor	0	0	0	0	0	**0**	**0**	
971.400 Flood Material	0	0	0	0	0	**0**	**0**	
971.500 Flood Equipment Rental	0	0	0	0	0	**0**	**0**	
Sweeping	5,088	6,615	6,615	2,187	6,615	6,507	6,629	0

City of Vassar

BUDGET WORKSHEET

Public Hearing
5-5-14 Meeting

	Prior Year Actual	Current Year Original Budget	Current Year Amende Budget	Current Year Actual January	Current Year Estimated Total	FY14 4th Quart	FY15 Budget	FY15 Approve
Dept: 468.000 Tree								
703.000 DPW Wages	4,737	4,000	4,000	2,770	4,000	**4000**	**3897**	
707.000 Part Time Salary or	476	500	500	244	500	**500**	**500**	
709.000 Overtime	514	150	150	0	150	**150**	**150**	
715.000 Social Security	418	356	356	219	356	**356**	**348**	
740.000 Operating Supplies	33	400	400	32	400	**400**	**500**	
930.000 Contractual Repair &	1,375	500	1,500	1,200	1,500	**1500**	**2000**	
940.000 Equipment Rental	5,600	7,500	7,500	3,678	7,500	**7000**	**7210**	
Tree	13,153	13,406	14,406	8,143	14,406	13,906	14,605	0
Dept: 469.000 Storm Sewer								
703.000 DPW Wages	0	0	0	0	0	**0**	**5539**	
704.100 Superintendent Wages	0	0	0	0	0	**0**	**0**	
707.000 Part Time Salary or	0	0	0	0	0	**0**	**468**	
709.000 Overtime	0	0	0	0	0	**0**	**0**	
715.000 Social Security	0	0	0	0	0	**0**	**460**	
740.000 Operating Supplies	0	0	0	0	0	**0**	**250**	
940.000 Equipment Rental	0	0	0	0	0	**0**	**4120**	
971.300 Flood Labor	0	0	0	0	0	**0**	**0**	
971.400 Flood Material	0	0	0	0	0	**0**	**0**	
971.500 Flood Equipment Rental	0	0	0	0	0	**0**	**0**	
Storm Sewer	0	0	0	0	0	0	10,837	0
Dept: 476.000 Sign								
703.000 DPW Wages	589	1,000	1,000	21	1,000	**1000**	**974**	
707.000 Part Time Salary or	72	100	100	16	100	**100**	**100**	
709.000 Overtime	0	0	0	0	0	**0**	**0**	
715.000 Social Security	48	84	84	3	84	**84**	**82**	
740.000 Operating Supplies	978	1,000	1,000	0	1,000	**1000**	**1000**	
940.000 Equipment Rental	269	500	500	12	500	**500**	**500**	
Sign	1,956	2,684	2,684	52	2,684	2,684	2,656	0

City of Vassar

BUDGET WORKSHEET

Public Hearing
5-5-14 Meeting

	Prior Year Actual	Current Year Original Budget	Amende Budget	Actual January	Estimated Total	FY14 4th Quart	FY15 Budget	FY15 Approve
Dept: 480.000 Winter								
703.000 DPW Wages	1,315	3,000	3,000	2,007	3,000	**4000**	**2923**	
707.000 Part Time Salary or	120	100	100	252	100	**500**	**100**	
709.000 Overtime	15	1,000	1,000	561	1,000	**1000**	**1000**	
715.000 Social Security	107	314	314	207	314	**418**	**308**	
740.000 Operating Supplies	2,971	4,000	4,000	4,063	4,000	**5400**	**7000**	
940.000 Equipment Rental	2,849	6,000	6,000	3,983	6,000	**7000**	**5150**	
971.300 Flood Labor	0	0	0	0	0	**0**	**0**	
971.500 Flood Equipment Rental	0	0	0	0	0	**0**	**0**	
Winter Maintenance	7,377	14,414	14,414	11,073	14,414	18,318	16,481	0
Dept: 482.000 Administration								
702.000 Salaries	4,936	0	0	0	0	**0**	**0**	
702.125 MEBS Section 125	3,385	3,386	3,386	1,953	3,386	**3386**	**3386**	
702.500 Longevity	0	0	0	0	0	**0**	**0**	
703.000 DPW Wages	6,057	4,838	4,838	2,973	4,838	**7802**	**7681**	
703.500 Longevity	2,310	1,073	1,073	905	1,073	**905**	**905**	
704.100 Superintendent Wages	8,696	18,270	18,270	8,187	18,270	**18270**	**16170**	
704.300 Superintendent - Flood	0	0	0	0	0	**0**	**0**	
704.500 Longevity	0	0	0	0	0	**0**	**0**	
707.000 Part Time Salary or	342	348	348	264	348	**348**	**348**	
709.000 Overtime	0	0	0	15	0	**100**	**100**	
715.000 Social Security	3,009	2,136	2,136	2,868	2,136	**3379**	**2915**	
716.000 Hospitalization	19,065	18,134	18,134	12,971	18,134	**19743**	**21240**	
717.000 Life Insurance	714	661	661	344	661	**661**	**660**	
718.000 Retirement	11,285	10,660	10,660	7,417	10,660	**10660**	**1617**	
720.000 Vacation	6,508	6,000	6,000	5,909	6,000	**6250**	**6250**	
720.100 Personal Leave	1,832	1,600	1,600	786	1,600	**1600**	**1600**	
721.000 Worker's Compensation	3,246	5,507	5,507	2,748	5,507	**5507**	**5672**	
722.000 Sick Leave	5,523	4,800	4,800	847	4,800	**4000**	**4000**	
723.000 Unemployment	375	50	50	10	50	**50**	**65**	
724.000 Deferred Compensation	600	733	733	420	733	**733**	**733**	
725.000 Clothing & Boot	674	781	781	23	781	**781**	**781**	
727.000 Office Supplies	312	400	400	119	400	**400**	**400**	
740.000 Operating Supplies	-113	600	600	-644	600	**600**	**1000**	
752.000 Uniforms & Cleaning	0	0	0	0	0	**0**	**0**	
775.000 Repair & Maintenance	592	700	700	286	700	**700**	**700**	
775.100 New Roof	0	0	0	0	0	**0**	**0**	
801.000 Professional Service	189	250	250	1,170	250	**973**	**0**	

City of Vassar

BUDGET WORKSHEET

Public Hearing
5-5-14 Meeting

	Prior Year Actual	Current Year Original Budget	Current Year Amende Budget	Current Year Actual January	Current Year Estimated Total	FY14 4th Quart	FY15 Budget	FY15 Approve
803.000 Engineering Services	75.551	48,833	48,833	44.729	48,833	**48833**	0	
850.000 Communication	5,051	5,500	5,500	3,570	5,500	**6332**	**1399**	
873.000 Conference & Travel	0	0	0	0	0	**0**	**0**	
910.000 Insurance & Bonds	7,201	7,561	7,561	7,008	7,561	**7008**	**7218**	
911.100 Medical	0	600	0	0	0	**0**	**0**	
920.000 Utilities	7,478	7,150	7,150	3,433	7,150	**7157**	**7449**	
940.000 Equipment Rental	181	350	350	29	350	**350**	**360**	
943.000 Storage Yard Rental	0	0	0	0	0	**0**	**0**	
956.000 Miscellaneous	0	0	0	0	0	**0**	**0**	
965.204 Contribution to Highway	0	0	0	0	0	**0**	**0**	
965.460 Contribution to St.	0	0	0	0	0	**0**	**0**	
968.000 Depreciation	0	0	0	0	0	**0**	**0**	
970.000 Capital Outlay	48,454	114,200	114,200	114,200	114,200	**114200**	**0**	
971.300 Flood Labor	0	0	0	0	0	**0**	**0**	
Administration	223,453	265,121	264,521	222,540	264,521	**270,728**	**92,649**	**0**
Dept: 901.000 Contributions								
962.101 Administration to	6,000	5,900	5,900	2,950	5,900	**5900**	**15818**	
965.202 Contribution to Major	0	0	0	0	0	**0**	**0**	
965.203 Contribution to Local	0	0	0	0	0	**0**	**0**	
965.204 Contribution to Highway	0	0	0	0	0	**0**	**0**	
965.460 Contribution to St.	0	0	0	0	0	**0**	**0**	
965.500 Transfer to Salt Barn	0	0	0	0	0	**0**	**0**	
Contributions	6,000	5,900	5,900	2,950	5,900	**5,900**	**15,818**	**0**
Total Expenditures	260,991	314,208	314,608	249,013	314,608	**324,004**	**168,766**	**0**
Major Streets Fund	-1,816	-96,454	-96,854	-173,182	-96,854	**-92,130**	**16,546**	**0**

City of Vassar

BUDGET WORKSHEET

Public Hearing
5-5-14 Meeting

	Prior Year Actual	Current Year Original Budget	Amende Budget	Actual January	Estimated Total	FY14 4th Quart	FY15 Budget	FY15 Approve
Fund: 203 - Local Street Fund								
Dept: 011.000 Revenue								
403.140 Alexander Lane Special	8	0	0	0	0	**0**	**0**	
424.000 Road-Bridge Taxes	20,975	20,822	20,822	0	20,822	**20822**	**19789**	
546.000 State Motor Veh.	54,087	54,273	54,273	23,336	54,273	**54273**	**52057**	
546.100 Local Road Program	1,941	1,941	1,941	647	1,941	**1941**	**1941**	
664.000 Interest	38	100	100	18	100	**100**	**100**	
675.100 Elm Street Project	0	0	0	0	0	**0**	**0**	
676.101 Contribution from	56,000	25,000	25,000	12,500	25,000	**25000**	**78000**	
676.103 Transfer from Salt Barn	0	0	0	0	0	**0**	**0**	
676.202 Transfer from Major	0	0	0	0	0	**0**	**0**	
683.000 Metro Act Revenue	2,434	3,360	3,360	0	3,360	**2500**	**2500**	
694.000 Miscellaneous Revenue	185	0	0	928	0	**928**	**0**	
Revenue	135,668	105,496	105,496	37,429	105,496	105,564	154,387	
Total Revenues	135,668	105,496	105,496	37,429	105,496	105,564	154,387	0
Dept: 464.000 Surface								
703.000 DPW Wages	1,159	2,300	2,300	227	2,300	**2300**	**2241**	
704.100 Superintendent Wages	0	0	0	0	0	**0**	**0**	
707.000 Part Time Salary or	24	100	100	0	100	**100**	**100**	
709.000 Overtime	0	0	0	0	0	**0**	**0**	
715.000 Social Security	86	184	184	16	184	**184**	**179**	
740.000 Operating Supplies	717	1,400	1,400	186	1,400	**700**	**700**	
930.000 Contractual Repair &	0	500	500	0	500	**0**	**0**	
932.000 Metro Act Maintenance	0	0	0	0	0	**0**	**0**	
940.000 Equipment Rental	1,224	4,500	4,500	411	4,500	**3000**	**3090**	
971.300 Flood Labor	0	0	0	0	0	**0**	**0**	
971.400 Flood Material	0	0	0	0	0	**0**	**0**	
971.500 Flood Equipment Rental	0	0	0	0	0	**0**	**0**	
Surface	3,210	8,984	8,984	840	8,984	6,284	6,310	0

City of Vassar

BUDGET WORKSHEET

Public Hearing
5-5-14 Meeting

	Prior Year Actual	Current Year Original Budget	Amende Budget	Actual January	Estimated Total	FY14 4th Quart	FY15 Budget	FY15 Approve
Dept: 466.000 Sweeping								
703.000 DPW Wages	485	1,000	1,000	206	1,000	1000	975	
709.000 Overtime	0	0	0	0	0	0	0	
715.000 Social Security	29	77	77	15	77	77	75	
940.000 Equipment Rental	1,860	2,500	2,500	930	2,500	2500	2800	
971.300 Flood Labor	0	0	0	0	0	0	0	
971.400 Flood Material	0	0	0	0	0	0	0	
971.500 Flood Equipment Rental	0	0	0	0	0	0	0	
Sweeping	2,374	3,577	3,577	1,151	3,577	3,577	3,850	0
Dept: 468.000 Tree								
703.000 DPW Wages	8,492	6,000	6,000	6,203	6,000	6200	6041	
707.000 Part Time Salary or	1,256	1,072	1,072	1,256	1,072	1300	1300	
709.000 Overtime	0	0	0	0	0	0	0	
715.000 Social Security	715	541	541	545	541	574	562	
740.000 Operating Supplies	11	400	400	0	400	400	750	
930.000 Contractual Repair &	1,375	500	1,000	548	1,000	1000	1500	
940.000 Equipment Rental	9,760	10,000	10,000	9,202	10,000	10000	12000	
Tree	21,609	18,513	19,013	17,754	19,013	19,474	22,153	0
Dept: 469.000 Storm Sewer								
703.000 DPW Wages	586	0	0	0	0	0	5539	
704.100 Superintendent Wages	0	0	0	0	0	0	0	
707.000 Part Time Salary or	0	0	0	0	0	0	468	
709.000 Overtime	0	0	0	0	0	0	0	
715.000 Social Security	40	0	0	0	0	0	460	
740.000 Operating Supplies	0	0	0	0	0	0	250	
940.000 Equipment Rental	0	0	0	0	0	0	4120	
971.300 Flood Labor	0	0	0	0	0	0	0	
971.400 Flood Material	0	0	0	0	0	0	0	
971.500 Flood Equipment Rental	0	0	0	0	0	0	0	
Storm Sewer	626	0	0	0	0	0	10,837	0
Dept: 476.000 Sign								
703.000 DPW Wages	327	1,800	1,800	40	1,800	1800	1754	
707.000 Part Time Salary or	28	100	100	0	100	100	100	
709.000 Overtime	0	0	0	0	0	0	0	
715.000 Social Security	26	146	146	3	146	146	142	
740.000 Operating Supplies	888	1,700	1,700	0	1,700	1700	1700	
940.000 Equipment Rental	102	400	400	26	400	400	500	
Sign	1,371	4,146	4,146	69	4,146	4,146	4,196	0

City of Vassar

BUDGET WORKSHEET

Public Hearing
5-5-14 Meeting

	Prior Year Actual	Current Year Original Budget	Amende Budget	Actual January	Estimated Total	FY14 4th Quart	FY15 Budget	FY15 Approve
Dept: 480.000 Winter								
703.000 DPW Wages	1,512	3,000	3,000	1,965	3,000	4300	2923	
707.000 Part Time Salary or	132	100	100	528	100	1000	100	
709.000 Overtime	47	700	700	62	700	700	700	
715.000 Social Security	124	291	291	187	291	456	295	
740.000 Operating Supplies	1,948	2,000	2,000	2,662	2,000	2000	4000	
940.000 Equipment Rental	3,175	6,500	6,500	3,583	6,500	7000	6695	
971.300 Flood Labor	0	0	0	0	0	0	0	
971.500 Flood Equipment Rental	0	0	0	0	0	0	0	
Winter Maintenance	6,938	12,591	12,591	8,987	12,591	15,456	14,703	0
Dept: 482.000 Administration								
702.000 Salaries	4,936	6,000	6,000	0	6,000	0	0	
702.125 MEBS Section 125	3,385	3,386	3,386	1,953	3,386	3386	3386	
703.000 DPW Wages	6,321	1,738	1,738	2,962	1,738	4864	4814	
703.500 Longevity	0	1,073	1,073	905	1,073	905	905	
704.100 Superintendent Wages	8,696	18,270	18,270	8,187	18,270	18270	16170	
704.300 Superintendent - Flood	0	0	0	0	0	0	0	
704.500 Longevity	0	0	0	0	0	0	0	
707.000 Part Time Salary or	334	500	500	258	500	500	500	
709.000 Overtime	0	0	0	30	0	100	100	
715.000 Social Security	2,987	2,369	2,369	1,398	2,369	3167	3002	
716.000 Hospitalization	19,065	18,134	18,134	12,971	18,134	19743	21240	
717.000 Life Insurance	714	661	661	344	661	661	660	
718.000 Retirement	11,285	10,660	10,660	7,417	10,660	10660	1617	
720.000 Vacation	6,495	6,000	6,000	5,909	6,000	6250	6250	
720.100 Personal Leave	1,819	1,600	1,600	354	1,600	1600	1600	
721.000 Worker's Compensation	3,246	4,554	4,554	2,748	4,554	4554	4691	
722.000 Sick Leave	5,501	4,800	4,800	837	4,800	4000	4000	
723.000 Unemployment	375	50	50	10	50	50	65	
724.000 Deferred Compensation	600	733	733	420	733	733	733	
725.000 Clothing & Boot	674	781	781	23	781	781	781	
727.000 Office Supplies	312	450	450	119	450	400	400	
740.000 Operating Supplies	702	700	700	-104	700	600	600	
752.000 Uniforms & Cleaning	0	0	0	0	0	0	0	
775.000 Repair & Maintenance	684	900	900	286	900	900	900	
775.100 New Roof	0	0	0	0	0	0	0	
801.000 Professional Service	189	500	500	1,170	500	3223	0	
803.000 Engineering Services	0	0	0	0	0	0	0	

City of Vassar

BUDGET WORKSHEET

Public Hearing
5-5-14 Meeting

	Prior Year Actual	Current Year Original Budget	Amende Budget	Actual January	Estimated Total	FY14 4th Quart	FY15 Budget	FY15 Approve
850.000 Communication	5,051	5,500	5,500	3,570	5,500	**6332**	**1398**	
873.000 Conference & Travel	0	0	0	0	0	**0**	**0**	
910.000 Insurance & Bonds	7,201	7,561	7,561	7,008	7,561	**7008**	**7218**	
911.100 Medical	0	600	0	0	0	**0**	**0**	
920.000 Utilities	7,392	7,120	7,120	3,415	7,120	**7157**	**7449**	
940.000 Equipment Rental	181	700	700	29	700	**700**	**721**	
943.000 Storage Yard Rental	0	0	0	0	0	**0**	**0**	
956.000 Miscellaneous	0	0	0	0	0	**0**	**0**	
968.000 Depreciation	0	0	0	0	0	**0**	**0**	
970.000 Capital Outlay	2,880	3,400	3,400	0	3,400	**38525**	**0**	
Administration	101,025	108,740	108,140	62,219	108,140	145,069	89,200	0
Dept: 901.000 Contributions								
962.101 Administration to	5,400	5,400	5,400	2,700	5,400	**5400**	**15818**	
965.100 Transfer to EDC	0	0	0	0	0	**0**	**0**	
965.208 Contribution to Park	0	0	0	0	0	**0**	**0**	
965.460 Contribution to St.	0	0	0	0	0	**0**	**0**	
965.500 Transfer to Salt Barn	0	0	0	0	0	**0**	**0**	
Contributions	5,400	5,400	5,400	2,700	5,400	5,400	15,818	0
Total Expenditures	142,553	161,951	161,851	93,720	161,851	199,406	167,067	0
Local Streets Fund	-6,885	-56,455	-56,355	-56,291	-56,355	-93,842	-12,680	0

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 9: EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS, CONTINUED

Annual Pension Costs – For year ended June 30, 2013, the City's annual pension cost of $97,524 for the plan was equal to the required and actual contribution. The employees contributed $37,856. The annual required contribution was determined as part of an actuarial valuation at December 31, 2010, using the entry actual age cost method. Significant actuarial assumption used include: (i) an 8% investment rate of return; (ii) projected salary increases of 4.5% per year; and (iii) 2.5% per year cost of living adjustments. All are determined using techniques that smooth the effects of short-term volatility over a four year period. The unfunded actuarial liability is being amortized at a level percent of payroll on a closed basis. The remaining amortization period is 28 years.

Three year trend information as of June 30, follows:

	2013	*2012*	*2011*
Annual pension cost	$ 97,524	$ 98,425	$ 111,621
Percentage of APC contributed	100%	100%	100%
Net pension obligation	-	-	-

Funded Status – As of December 31, 2012, the most recent actuarial valuation date, the plan was 83 percent funded. The actuarial accrued liability for benefits was $5,891,744, and the actuarial value of assets was $4,876,347, resulting in an unfunded actuarial accrued liability (UAAL) of $1,015,397. The covered payroll (annual payroll of active employees covered by the plan) was $797,406, and the ratio of the UAAL to the covered payroll was 127 percent.
The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS

GASB Statement No. 45 established standards for measurement, recognition and display of other postemployment benefits (OPEB) and related liabilities and note disclosures in other plans in which the City participates. Current year expenditures include the current year "pay-as-you-go" amount and the recognition of the unfunded current year annual required contribution (ARC) in the governmental activities and enterprise funds. Disclosures required by GASB Statement No. 45 follow.

Plan Description – The City provides pre-65 medical and prescription drug coverage through its active plan and post-65 coverage through a Medicare Advantage plan and dental coverage is provided for retirees as well as vision for pre-65 retirees. Department heads retiring after July 1, 2012 pay 30% of pre-65 medical, dental and vision premium and Medicare Advantage premium and current retiree premiums paid 100% by the City. Future retirees will pay 30% of pre-65 medical, dental and vision premiums. Department heads promoted after 2012 will only receive $150 monthly retiree stipend. Department heads hired after July 1, 2012 will not receive retiree coverage.

Funding Policy – The City has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). At the fund level, the expense is recognized by the City as the payments to the employees are made. During the year, this amounted to $34,102 for six retirees who are currently receiving the benefits. During the fiscal year ended June 30, 2013, the City also made a $25,000 advance funding contribution to the MERS Retiree Health Funding Plan.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

The computed annual required contribution and actual funding are summarized as follows:

For the Year Ended June 30, 2013	
Annual required contribution (recommended)	$ 66,949
Interest on the prior year's net OPEB obligation	3,302
Less adjustment to the annual required contribution	(3,281)
Annual OPEB cost	66,970
Amounts contributed:	
Payments of current premiums	(34,102)
Advance funding	(25,000)
Increase in net OPEB obligation	7,868
OPEB obligation, beginning of year	82,544
OPEB obligation, end of year	$ 90,412
The net OPEB obligation is recorded as follows:	
Governmental activities	$ 61,713
Business-type activities	28,699
Total	$ 90,412

The annual OPEB cost, the percentage contributed to the plan, and the net OPEB obligation for the current and two preceding years were as follows:

Fiscal Year Ending	*Actuarial Valuation Date*	*Annual OPEB Cost*	*Contribution*	*Percentage Contributed*	*Net OPEB Obligation*
6/30/2013	6/30/2013	$ 66,970	$ 59,102	88%	$ 90,412
6/30/2012	12/31/2008	55,647	20,790	37%	82,544
6/30/2011	12/31/2008	49,974	24,122	48%	47,687

Funding Progress – As of June 30, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $950,470, which was approximately 2.6% funded. The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. During the 2012-2013, the City made a $25,000 contribution to the OPEB Trust Fund, which was established in the current year. The actuarial value of the Trust Fund assets has not been determined. The market value of the Trust Fund assets at June 30, 2013 was $24,795.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.