(Please refer to the Retirement Ordinance for a complete description)

Amount

See Below

NORMAL RETIREMENT

Maximum County-financed is 75% FAC. Total service times 2%* of final average compensation

Some lump sums included. Type of final average compensation - Highest 5 years

EARLY RETIREMENT

See Below.

Regular retirement reduced to the actuarial equivalent

DEFERRED RETIREMENT

Benefit begins at age 60 or reduced at age or more years of credited service. final average compensation at time of termination. Computed as a regular retirement but based on service and

NON-DUTY DEATH IN SERVICE

60 with 8 or more years of credited 10 or more years of credited service or age

accordance with a 100% joint and survivor election. Computed as a regular retirement but actuarially reduced in

DUTY DEATH IN SERVICE

begin upon termination of Workers No age or service requirements. Benefits

a benefit equal to the Workers Compensation amount. Unmarried children under 18 and parents receive a benefit To the spouse, a refund of accumulated contributions plus equal to the Workers Compensation.

NON-DUTY DISABILITY

10 or more years of credited service.

payments are offset. Computed as a regular retirement. Workers Compensation

DUTY DISABILITY

in receipt of Workers Compensation. No age or service requirements. Must be

Computed as a regular retirement with additional service credit granted to age 55. Workers Compensation payments are offset.

POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS

One-time increases have been granted.

MEMBER CONTRIBUTIONS

4% of annual compensation.* For some employee groups, the employer pays the member contribution.

EMPLOYER CONTRIBUTIONS

future years. (i) normal costs of the plan, and (ii) financing of unfunded accrued liabilities over a selected period of Actuarially determined amounts which, together with member contributions, are sufficient to cover both

Retirement Eligibility

NORMAL RETIREMENT

Bay Medical Care Facility

30 years of service regardless of age, age 55 with 25 years of service or age 60 with 8 years of service.

Sheriff's Department# All Others

Age 55 with 30 years of service or age 60 with 8 years of service Age 55 with 25 years of service or age 60 with 8 years of service.

Sheriff's Department **EARLY RETIREMENT**

All Others

25 years of service regardless of age or age 55 with 8 years of service. Age 55 with 8 years of service.

Road Patrol benefits before Social Security age are 2.25% and they contribute an additional 2.55% of pay # Some groups have different eligibility requirements.

Refirement System Bay County Employees

SUMMARY ANNUAL REPORT TO MEMBERS **DECEMBER 31, 1997**

Dear Retirement System Member:

from the Retirement System. to help you meet your financial needs should you become disabled, retire or die. The Retirement System, which is managed by the Retirement Board, is designed The County also supports a retiree health insurance program, which is separate

advisors to assist us in fulfilling these duties administration of the System and invest its assets. Our Board retains professional The Retirement Board's fiduciary responsibility to you is to supervise the general

which is governed by the provisions of the County's retirement ordinance and the informative. However, a summary cannot cover all the details of the System, Retirement System and how it operates. We hope you will find it useful and available in the Finance Office. Retirement Board's official rules and regulations. Additional information about We have prepared this summary report to give you a brief overview of the the System, including the retirement ordinance and the actuarial valuation, is

Respectfully submitted

Bay County Employees' Retirement System Board of Trustees

Your Retirement System's financial objective is to establish and receive contributions which will remain approximately level from year to year and will not have to be increased for future generations of taxpayers. Contribution levels are expressed in terms of percents of the county's active member payroll.

To determine an appropriate employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Gabriel, Roeder, Smith & Company, conducts annual actuarial valuations.

These valuations are based on your System's past experience, information about current participation and financial markets, and assumptions concerning the System's future demographic and economic activity. The results of the December 31, 1997 valuation, based on the established funding objective, are summarized below:

Fiscal Year Beginning January 1, 1998 Employer Contribution Rates As a Percentage of Active Member Payroll

Computed Employer Rate	Amortization of unfunded liability	Employer portion	Member portion	Total	Normal Cost of Benefits	Contributions for		
0.00%	(8.53)	8.53	4.00	12.53%		County	General	
0.00%	(8.44)	8.44	4.00	12.44%		Facility	Care	Medical
0.00%	(11.96)	11.96	4.00	15.96%		Dept.	Sheriff's	
9.15%	(3.71)	12.86	4.00	16.86%	!	Comm.	Road	

•	•	•	Funded Status
% funded	Applied assets (smoothed market value)	Actuarial accrued liabilities	Status
122.3%	122.4	\$100.0	\$ Millions

Actuary's Opinion

It is the actuary's opinion that the Retirement System is in excellent financial condition in accordance with the actuarial objective of keeping the percent of payroll contribution rates level.

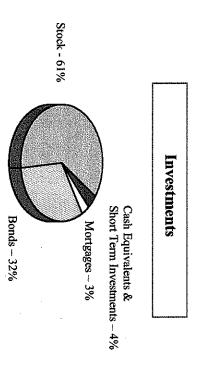
SCHWARK OF CURRENT ASSET INFORMATION

Revenues & Expenditures

1997

Market Value - January 1	\$127,957,131
Revenues	
Member contributions	1,330,637
Employer contributions	450,741
Gross investment income	27,609,353
Total	29,390,731
Expenditures	
Benefit payments	3,225,097
Refund of member contributions	176,409
Investment & administrative expenses	957,817
Total	4,359,323
Market Value - December 31	152,988,539

The System had \$34,149 of "soft dollar" expenses for investment consulting.



The market rate of return on system assets net of expenses for the year ended December 31, 1997 was 21.1%. The book value rate of return on system assets net of expenses for the year ended December 31, 1997 was 17.8%.

BRIEF SUMMARY OF PLAN PROVISIONS (Please refer to the Retirement Ordinance for a complete description)

See Below

NORMAL RETIREMENT

Total service times 2.25% of FAC for: Road Commission effective 2/1/2001. Medical Care Facility effective 1/1/2000 Non-Union General effective 10/1/99 Water and Sewer effective 1/1/1999

sums included. Maximum County-financed is 75% of FAC

Type of final average compensation - Highest 5 years. Some lump

Total service times 2.0%* of FAC for all others.

Regular retirement reduced to the actuarial equivalent

EARLY RETIREMENT

See Below

DEFERRED RETIREMENT average compensation at time of termination. Computed as a regular retirement but based on service and final

at age 55 8 or more years of credited service. Benefit begins at age 60 or reduced

10 or more years of credited service NON-DUTY DEATH IN SERVICE accordance with a 100% joint and survivor election Computed as a regular retirement but actuarially reduced

or age 60 with 8 or more years of Benefits begin upon termination of age or service requirements.

in receipt

Computed as a normal retirement with additional service credit

Pension may be offset

à

DUTY DEATH IN SERVICE To the spouse, a refund of accumulated contributions plus a benefit

Workers' Compensation.

10 or more years of credited service.

NON-DUTY DISABILITY

Workers' Compensation.

Computed as a normal retirement. Pension may be offset by

Workers' Compensation payments.

DUTY DISABILITY

equal to the Workers Compensation amount. Unmarried children

under 18 and dependent parents receive a benefit equal to the

service requirements

Compensation. POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS of Workers'

Compensation payments.

One-time increases have been granted

MEMBER CONTRIBUTIONS

4% of annual compensation. For most employee groups, the employer pays the member contribution

EMPLOYER CONTRIBUTIONS

normal costs of the plan, and (ii) financing of unfunded accrued liabilities over a selected period of future Actuarially determined amounts which, together with member contributions, are sufficient to cover both (1) years. Retirement Eligibility

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Bay Medical Care Facility &

NORMAL RETIREMENT

30 years of service regardless of age or age 55 with 25 years of service or age 60 with 8 years of service.

Age 55 with 25 years of service or age 60 with 8 years of service. 25 years of service regardless of age or age 60 with 8 years of service. Age 55 with 30 years of service or age 60 with 8 years of service.

EARLY RETIREMENT

All Others Dispatchers and Corrections Facility

All Others

Correction Facility Officers

Road Patrol

Dispatchers

Age 55 with 8 years of service. 25 years of service regardless of age or age 55 with 8 years of service

* Road Patrol benefits before Social Security age are 2.25% and they contribute an additional 2.55% of pay

Refirement System Bay County Employees'

SUMMARY ANNUAL REPORT TO MEMBERS DECEMBER 31, 1998

Dear Retirement System Member and Retirants:

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from the Retirement System. to help you meet your financial needs should you become disabled, retire or die. The County also supports a retiree health insurance program, which is separate The Retirement System, which is managed by the Retirement Board, is designed

advisors to assist us in fulfilling these duties. administration of the System and invest its assets. Our Board retains professional The Retirement Board's fiduciary responsibility to you is to supervise the general

about the System, including the Retirement Ordinance and the actuarial valuation which is governed by the provisions of the County's Retirement Ordinance and informative. However, a summary cannot cover all the details of the System, Retirement System and how it operates. We hope you will find it useful and is available in the Finance Office. the Retirement Board's official rules and regulations. Additional information We have prepared this summary report to give you a brief overview of the

Respectfully submitted

Bay County Employees' Retirement System **Board of Trustees**

contributions which will remain approximately level from year-to-year and will are expressed in terms of percents of the county's active member payroll. not have to be increased for future generations of taxpayers; Contribution levels Your Retirement System's financial objective is to establish and receive

to gauge how the System's funding is meeting this fundamental objective, an Smith & Company, conducts annual actuarial valuations. independent firm of actuaries and employee benefit consultants, Gabriel, Roeder, To determine an appropriate employer contribution level for the ensuing year and

current participation and financial markets, and assumptions concerning the System's future demographic and economic activity. The results of the summarized below: December 31, 1998 valuation, based on the established funding objective, are These valuations are based on your System's past experience, information about

as a Percentage of Active Member Payroll Fiscal Year Beginning January 1, 1999 **Employer Contribution Rates**

	Employer portion Amortization of unfunded liability		ost of Benefits	Contributions for	
0.00%	8.85 (8.85)	4.00		General County	
0.00%	9 72 (9 72)	4.00	13 730/	Care Facility	Medical
0.00%	11.98 (11.98)	4.00	15.000/	Sheriff's Dept.	
1.67%	13.09	4.00%	17 000/	Road Comm.	

Funded Status Actuarial accrued liabilities

Applied assets (smoothed market value)

% funded

130.5% 145.7

\$ Millions

\$111.7

Actuary's Opinion

the percent of payroll contribution rates level. financial condition in accordance with the actuarial objective of keeping It is the actuary's opinion that the Retirement System is in excellent

SUMMARY OF CURRENT ASSET INFORMATION

Revenues & Expenditures

ne ributions ative expenses	Market Value - January 1 \$152,988.539	
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The System had \$56,609 of "soft dollar" expenses for investment consulting.

Domestic Stocks - 63% Investments Short-Term Investments - 1% Cash Equivalents & International Stocks - 4%

System assets net of expenses for the year ended December 31, 1998 was ended December 31, 1998 was 20.5%. The book value rate of return on The market rate of return on System assets net of expenses for the year

Bonds - 32%

(Please refer to the Retirement Ordinance for a complete description)

See Below

NORMAL RETIREMENT

Total service times 2.25% of FAC for: effective 7/1/2001, Non-Union Court effective 7/1/2000 and 2/1/2001. USWA full time effective 7/1/2000, BCAMPS Facility effective currently. Road Commission effective Water and Sewer, Non-Union General, Medical Care

average compensation - Highest 5 years. Some lump sums included. Maximum County-financed is 75% of FAC. Total service times 2.0%* of FAC for all others. Type of final Non-Union Mental Health effective 10/1/2000.

EARLY RETIREMENT

See Below.

Normal retirement reduced to the actuarial equivalent

DEFERRED RETIREMENT

8 or more years of credited service. Benefit begins at age 60 or reduced at age 55. Computed as a normal retirement but based on service and final average compensation at time of termination.

NON-DUTY DEATH IN SERVICE

10 or more years of credited service or age 60 with 8 or more years of credited service. accordance with a 100% joint and survivor election Computed as a normal retirement but actuarially reduced in

DUTY DEATH IN SERVICE

to the Workers' Compensation. children under 18 and dependent parents receive a benefit equal benefit equal to the Workers Compensation amount. Unmarried To the spouse, a refund of accumulated contributions plus a

begin upon termination of

Workers'

Benefits

No age or service requirements.

Compensation

NON-DUTY DISABILITY

10 or more years of credited service

Workers' Compensation payments. Computed as a normal retirement. Pension may be offset by

DUTY DISABILITY

No age or service requirements. Must be in receipt of Workers' Compensation. Computed as a normal retirement with additional service credit granted to age 55. Pension may be offset by Workers' Compensation payments.

POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS

One-time increases have been granted

MEMBER CONTRIBUTIONS

4% of annual compensation. For most employee groups, the employer pays the member contribution

EMPLOYER CONTRIBUTIONS

Actuarially determined amounts which, together with member contributions, are sufficient to cover both (i) normal costs of the plan, and (ii) financing of unfunded accrued liabilities over a selected period of future years.

Division

Retirement Eligibility

NORMAL RETIREMENT

25 years of service regardless of age or age 60 with 8 years of service. 30 years of service regardless of age or age 55 with 25 years of service or

age 60 with 8 years of service.

Age 55 with 25 years of service or age 60 with 8 years of service.

Age 55 with 30 years of service or age 60 with 8 years of service.

EARLY RETIREMENT

Bay Medical Care Facility & Dispatchers

Road Patrol

Correction Facility Officers
All Others

Dispatchers and Corrections

Facility Officers

25 years of service regardless of age or age 55 with 8 years of service Age 55 with 8 years of service.

Road Patrol benefits before Social Security age are 2.25% and they contribute an additional 2.55% of pay.

Refirement System Bay County Employees

SUMMARY ANNUAL REPORT TO MEMBERS **DECEMBER 31, 1999**

Dear Retirement System Member and Retirants:

from the Retirement System. The County also supports a retiree health insurance program, which is separate to help you meet your financial needs should you become disabled, retire or die. The Retirement System, which is managed by the Retirement Board, is designed

advisors to assist us in fulfilling these duties. administration of the System and invest its assets. Our Board retains professional The Retirement Board's fiduciary responsibility to you is to supervise the general

is available in the Finance Office. about the System, including the Retirement Ordinance and the actuarial valuation. the Retirement Board's official rules and regulations. Additional information which is governed by the provisions of the County's Retirement Ordinance and informative. However, a summary cannot cover all the details of the System, Retirement System and how it operates. We hope you will find it useful and We have prepared this summary report to give you a brief overview of the

Respectfully submitted

Bay County Employees' Retirement System **Board of Trustees**

ACTUARIES & CONSULTANTS
GABRIEL, ROEDER, SMITH & COMPANY

Your Retirement System's financial objective is to establish and receive contributions which will remain approximately level from year-to-year and will not have to be increased for future generations of taxpayers. Contribution levels are expressed in terms of percents of the county's active member payroll.

To determine an appropriate employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Gabriel, Roeder, Smith & Company, conducts annual actuarial valuations.

These valuations are based on your System's past experience, information about current participation and financial markets, and assumptions concerning the System's future demographic and economic activity. The results of the December 31, 1999 valuation, based on the established funding objective, are summarized below:

Fiscal Year Beginning January 1, 2000 Employer Contribution Rates as a Percentage of Active Member Payroll

-		Medical		
Contributions for	General County	Care Facility	Sheriff's Dept.	Road Comm.
Normal Cost of Benefits	- 1			
Total		13.72%	15.96%	16.98%
Member portion		4.00	4.00	4.00
Employer portion		9.72	11.96	12.98
Amortization of unfunded liability		(9.72)	(11.96)	(12.98)
Computed Employer Rate	0.00%	0.00%	0.00%	0.00%
The second section of the section of		100 March 200 Ma	7	2 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0

• % funded	 Applied assets (smoothed market value) 	 Actuarial accrued liabilities 	Funded Status
149.2%	177.6	\$119.1	§ Millions

Actuary's Opinion

It is the actuary's opinion that the Retirement System is in excellent financial condition in accordance with the actuarial objective of keeping the percent of payroll contribution rates level.

SUMMARY OF CURRENT ASSET INFORMATION

Revenues & Expenditures

1999

Market Value - December 31	Expenditures Benefit payments Refund of member contributions Investment & administrative expenses Total	Revenues Member contributions Employer contributions Gross investment income Other revenue Total	Market Value - January 1
222,048,921	3,698,604 158,743 1,136,267 4,993,614	1,632,513 47,088 43,194,127 43,41 44,878,069	\$182,164,466

The System had \$60,000 of "soft dollar" expenses for investment consulting.

Cash Equivalents 2% Domestic Stocks - 58% International Stocks - 8% Bonds - 26%

The market rate of return on System assets net of expenses for the year ended December 31, 1999 was 23.3%. The book value rate of return on System assets net of expenses for the year ended December 31, 1999 was 26.7%

Short-Term Investments – 6%

(Please refer to the Retirement Ordinance for a complete description)

Eligibility

See Below

NORMAL RETIREMENT

Total service times 2.00% of FAC for Library, Mental Health union members and Corrections Facility Officers

Maximum County-financed is 75% of FAC. compensation - Highest 5 years. Some lump sums included Part-time members) of FAC for all others. Type of final average BCAMPS and 911 Dispatchers; effective 1/1/2002 for USWA Circuit Court union members, Probate Court union members, 2/1/2001 for Road Commission; effective 7/1/2001 for Nurses union members, Sheriff's Department Road Patrol; effective Total service times 2.25% (effective 1/1/2001 for District Cour

EARLY RETIREMENT

Normal retirement reduced to the actuarial equivalent

DEFERRED RETIREMENT

See Below

8 or more years of credited service. Benefit begins at age 60 or reduced at age 55. Computed as a normal retirement but based on service and final average compensation at time of termination.

NON-DUTY DEATH IN SERVICE

10 or more years of credited service or age Computed as a normal retirement but actuarially reduced in accordance with a 100% joint and survivor election.

DUTY DEATH IN SERVICE

Benefits benefit equal to the Workers Compensation amount. Unmarried to the Workers' Compensation. children under 18 and dependent parents receive a benefit equal To the spouse, a refund of accumulated contributions plus a

begin upon termination of No age or service requirements.

Workers'

60 with 8 or more years of credited service.

NON-DUTY DISABILITY

10 or more years of credited service.

Computed as a normal retirement. Pension may be offset by Workers' Compensation payments.

DUTY DISABILITY

No age or service requirements. Must be in receipt of Workers' Compensation. Computed as a normal retirement with additional service credit granted to age 55. Pension may be offset by Workers' Compensation payments.

POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS

MEMBER CONTRIBUTIONS

4% of annual compensation. For all employee groups, the employer pays the member contribution

EMPLOYER CONTRIBUTIONS

Actuarially determined amounts which, together with member contributions, are sufficient to cover both (i) normal costs of the plan, and (ii) financing of unfunded accrued liabilities over a selected period of future

Division

Retirement Eligibility

NORMAL RETIREMENT

age 60 with 8 years of service. 30 years of service regardless of age or age 55 with 25 years of service or

Age 55 with 25 years of service or age 60 with 8 years of service. Age 55 with 30 years of service or age 60 with 8 years of service. 25 years of service regardless of age or age 60 with 8 years of service

Correction Facility Officers All Others

Road Patrol

Dispatchers

Bay Medical Care Facility &

EARLY RETUREMENT

25 years of service regardless of age or age 55 with 8 years of service Age 55 with 8 years of service.

All Others

Dispatchers and Corrections

Facility Officers



Bay County Employees Retirement System

SUMMARY ANNUAL REPORT TO MEMBERS **DECEMBER 31, 2000**

Dear Retirement System Member and Retirants:

retire or die. The County also supports a retiree health insurance program, which is separate from the Retirement System. is designed to help you meet your financial needs should you become disabled, The Retirement System, which is managed by the Retirement Board of Trustees,

administration of the System and invest its assets. Our Board retains professional advisors to assist us in fulfilling these duties The Retirement Board's fiduciary responsibility to you is to supervise the general

informative. However, a summary cannot cover all the details of the System, which is governed by the provisions of the County's Retirement Ordinance and Retirement System and how it operates. We hope you will find it useful and about the System, including the Retirement Ordinance and the actuarial valuation the Retirement Board's official rules and regulations. Additional information We have prepared this summary report to give you a brief overview of the is available in the Finance Office.

Respectfully submitted

Bay County Employees' Retirement System Board of Trustees

Your Retirement System's financial objective is to pay benefits by establishing, receiving, and managing contributions that will remain approximately level from year-to-year and will not have to be increased for future generations of taxpayers. Contribution levels are expressed in terms of percents of the county's active member payroll.

To determine an appropriate employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Gabriel, Roeder, Smith & Company, conducts annual actuarial valuations.

These valuations are based on your System's past experience, information about current participation and financial markets, and assumptions concerning the System's future demographic and economic activity. The results of the December 31, 2000 valuation, based on the established funding objective, are summarized below:

Fiscal Year Beginning January 1, 2001 Employer Contribution Rates as a Percentage of Active Member Payroll

Contributions for Normal Cost of Benefits Total	General County	Medical Care Facility	Sheriff's Dept.
Contributions for	County	Facility	Dept.
Normal Cost of Benefits			
Total	13.66%	13.63%	16.78%
Member portion	4.00	4.00	4.00
Employer portion	9.66	9.63	12.78
Amortization of unfunded liability	(9.66)	(9.63)	(12.78)
Computed Employer Rate	0.00%	0.00%	0.00%
	-		

Funde	Funded Status		\$ Millions
•	Actuarial accrued liabilities		\$129.3
•	Applied assets (smoothed market value)		192.3
•	% funded	, ·	148.7%

Actuary's Opinion

It is the actuary's opinion that the Retirement System is in excellent financial condition in accordance with the actuarial objective of keeping the percent of payroll contribution rates level.

SUMMARY OF CURRENT ASSET INFORMATION

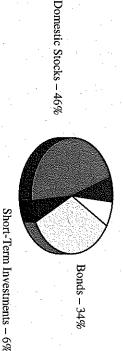
Revenues & Expenditures

Market Value - December 31	Expenditures Benefit payments Refund of member contributions Investment & administrative expenses Total	Revenues Member contributions Employer contributions Gross investment income Other revenue Total	Market Value - January 1
214,411,631	4,040,335 113,752 1,461,457 5,615,544	1,576,292 0 (3,610,325) 12,285 (2,021,748)	\$222,048,923

The System had \$57,867 of "soft dollar" expenses for investment consulting.

Investments

Cash Equivalents 7% International Stocks – 7%



The market rate of return on System assets net of expenses for the year ended December 31, 2000 was (2.24)%. The book value rate of return on System assets net of expenses for the year ended December 31, 2000 was 10.1%.

(Please refer to the Retirement Ordinance for a complete description)

NORMAL RETIREMENT

average compensation - Highest 5 years. Some lump sums included. Maximum County-financed is 75% of FAC. Total service times 2.25% of FAC for all others. Type of final Total service times 2.00% of FAC for BABH union members

EARLY RETREMENT Normal retirement reduced to the actuarial equivalent

See Below

8 or more years of credited service. Benefit begins at age 60 or reduced at age

DEFERRED RETIREMENT

10 or more years of credited service or age 60 with 8 or more years of credited NON-DUTY DEATH IN SERVICE Computed as a normal retirement but actuarially reduced in accordance with a 100% joint and survivor election.

final average compensation at time of termination. Computed as a normal retirement but based on service and

Compensation. begin upon No age or service requirements. Benefits termination of Workers'

DUTY DEATH IN SERVICE a benefit equal to the Workers' Compensation. To the spouse, a refund of accumulated contributions plus a benefit equal to the Workers Compensation amount. Unmarried children under 18 and dependent parents receive

NON-DUTY DISABILITY

10 or more years of credited service.

Workers' Compensation payments. Computed as a normal retirement. Pension may be offset by

ALDIBYSIQ ALOG

No age or service requirements. Must be Computed as a normal retirement with additional service credit granted to age 55. Pension may be offset by Workers' Compensation payments

POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS

One-time increases have been granted.

in receipt of Workers' Compensation.

MEMBER CONTRIBUTIONS

4% of annual compensation. For all employee groups, the employer pays the member contribution.

EMPLOYER CONTRIBUTIONS

(i) normal costs of the plan, and (ii) financing of unfunded accrued liabilities over a selected period of future Actuarially determined amounts which, together with member contributions, are sufficient to cover both

Retirement Bigibility

Bay Medical Care Facility & Dispatchers

Road Patrol Correction Facility Officers

Road Commission All Others

Dispatchers and Corrections Facility Officers

NORMAL RETIREMENT

30 years of service regardless of age or age 55 with 25 years of 30 years of service regardless of age or age 60 with 8 years of service. Age 55 with 25 years of service or age 60 with 8 years of service. 25 years of service regardless of age or age 60 with 8 years of service. service or age 60 with 8 years of service. Age 55 with 30 years of service or age 60 with 8 years of service.

EARLY RETIREMENT

25 years of service regardless of age or age 55 with 8 years of service.

Age 55 with 8 years of service.



SUMMARY ANNUAL REPORT TO MEMBERS DECEMBER 31, 2001

Dear Retirement System Member and Retirants:

insurance program, which is separate from the Retirement System become disabled, retire or die. The County also supports a retiree health Trustees, is designed to help you meet your financial needs should you The Retirement System, which is managed by the Retirement Board of

general administration of the System and invest its assets. Our Board retains professional advisors to assist us in fulfilling these duties. The Retirement Board's fiduciary responsibility to you is to supervise the

and the Retirement Board's official rules and regulations. Additional which is governed by the provisions of the County's Retirement Ordinance actuarial valuation, is available in the Finance Office. informative. However, a summary cannot cover all the details of the System, Retirement System and how it operates. We hope you will find it useful and information about the System, including the Retirement Ordinance and the We have prepared this summary report to give you a brief overview of the

Respectfully submitted

Bay County Employees' Retirement System Board of Trustees

establishing, receiving, and managing contributions that will remain approximately level from year to year and will not have to be increased for future generations of taxpayers. Contribution levels are expressed in terms of benefits by four Retirement System's financial objective is to pay percents of the county's active member payroll.

objective, an independent firm of actuaries and employee benefit consultants, Gabriel, Roeder, Smith & Company, conducts annual actuarial To determine an appropriate employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental valuations.

about current participation and financial markets, and assumptions concerning the System's future demographic and economic activity. The results of the December 31, 2001 valuation, based on the established These valuations are based on your System's past experience, information 'unding objective, are summarized below:

as a Percentage of Active Member Payroll Fiscal Year Beginning January 1, 2002 **Employer Contribution Rates**

Contributions For	General County	DWS	Library	BABH	MCF	Sheriff's Dept.	Road
Normal Cost							
Total	13.26%	13.00%	14.94%	13.79%	13.26%	16.86%	16.22%
Member	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Employer	9,26	9.00	10.94	9.79	9.26	12.86	12.22
Amort. of UAL	(9.26)	(00.6)	(10.94)	(6.79)	(9.26)	(12.86)	(12.22)
Computed Employer Rate	%00'0	%00.0	%00'0	0.00%	%00'0	0.00%	%00.0

	General					Sheriff's	Road
Contributions For	County	DWS	Library	BABH	MCF	Dept.	Comm
Total	13.26%	13.00%	14.94%	13.79%	13.26%	16.86%	16.22%
Member	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Employer	9.26	9.00	10.94	9.79	9.26	12.86	12.22
Amort, of UAL	(9.26)	(0.00)	(10.94)	(6.79)	(9.26)	(12.86)	(12.22)
Computed Employer Rate	%00.0	0.00%	with the party that is the party that is a state of the party that is a st	8		0	0.00%

Funded Status	 Actuarial accrued liabilities 	 Applied assets (smoothed market value) 	• % funded
---------------	---	--	------------

\$ Millions

144.4% 203.2 \$140.7

Actuary's Opinion

It is the actuary's opinion that the Retirement System is in excellent financial condition in accordance with the actuarial objective of keeping the percent of payroll contribution rates level.

SUMMARY OF CURRENT ASSET INFORMATION

Revenues & Expenditures

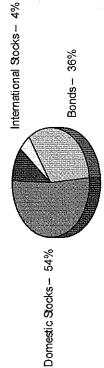
2001

Market Value - January 1	\$214,411,631
Revenues Member contributions	486.473
Employer contributions	0
Investment income\(loss)	(2,483,707)
Other revenue	92,584
Total	(1,904,650)
Expenditures	
Benefit payments	4,436,521
Refund of member contributions	101,250
Investment & administrative expenses	1,326,315
Total	5,864,086
Market Value - December 31	\$206,642,895

The System had \$68,750 of "soft dollar" expenses for investment consulting.



Cash Equivalents 6%



December 31, 2001 was (1.69)%. The book value rate of return on System The market rate of return on System assets net of expenses for the year ended assets net of expenses for the year ended December 31, 2001 was (0.3)%.

(Please refer to the Retirement Ordinance for a complete description)

Amount

NORMAL RETIREMENT

included. Maximum County-financed is 75% of FAC. average compensation - Highest 5 years. Some tump sums Total service times 2.25% of FAC for all others. Type of final Total service times 2,00% of FAC for BABH union members

EARLY RETIREMENT

See Below

8 or more years of credited service.

DEBROO REINSMENT Normal retirement reduced to the actuarial equivalent.

Benefit begins at age 60 or reduced at age final average compensation at time of termination. Computed as a normal retirement but based on service and

10 or more years of credited service at any NON-DUTY DEATH IN SERVICE Computed as a normal retirement but actuarially reduced in accordance with a 100% joint and survivor election.

DUTY DEATH IN SERVICE

To the spouse, a refund of accumulated contributions plus a benefit equal to the Workers Compensation amount. a benefit equal to the Workers' Compensation amount Unmarried children under 18 and dependent parents receive

begin upon termination of Workers'

No age or service requirements. Benefits

Compensation

NON-DUTY DISABILITY

Workers' Compensation payments. Computed as a normal retirement. Pension may be offset by

ALTIBUSIO ALTIO

No age or service requirements

10 or more years of credited service.

Computed as a normal retirement with additional service credit granted to age 55. Pension may be offset by Workers' Compensation payments.

POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS

One-time increases have been granted at various amounts.

MEMBER CONTRIBUTIONS

4% of annual compensation. For all employee groups, the employer pays the member contribution

EMPLOYER CONTRIBUTIONS

(i) normal costs of the plan, and (ii) financing of unfunded accrued liabilities over a selected period of future Actuarially determined amounts which, together with member contributions, are sufficient to cover both

Division

Retirement Eligibility

Bay Medical Care Facility & Dispatchers

service or age 60 with 8 years of service.

NORMAL RETIREMENT

30 years of service regardless of age or age 55 with 25 years of 25 years of service regardless of age or age 60 with 8 years of service

Road Patrol All Others Road Commission Correction Facility Officers

Dispatchers and Corrections Facility Officers

Age 55 with 8 years of service. 25 years of service regardless of age or age 55 with 8 years of service 30 years of service regardless of age or age 60 with 8 years of service.

Age 55 with 30 years of service or age 60 with 8 years of service. Age 55 with 25 years of service or age 60 with 8 years of service.

EARLY RETIREMENT

Eay County Enployees Refirement System

SUMMARY ANNUAL REPORT TO MEMBERS DECEMBER 31, 2002

Dear Retirement System Member and Retirants:

become disabled, retire or die. The County also supports a retiree health insurance program, which is separate from the Retirement System. Trustees, is designed to help you meet your financial needs should you The Retirement System, which is managed by the Retirement Board of

general administration of the System and invest its assets. Our Board retains professional advisors to assist us in fulfilling these duties. The Retirement Board's fiduciary responsibility to you is to supervise the

and the Retirement Board's official rules and regulations. Additional which is governed by the provisions of the County's Retirement Ordinance informative. However, a summary cannot cover all the details of the System, actuarial valuation, is available in the Finance Office. information about the System, including the Retirement Ordinance and the Retirement System and how it operates. We hope you will find it useful and We have prepared this summary report to give you a brief overview of the

Respectfully submitted

Bay County Employees' Retirement System Board of Trustees

Your Retirement System's financial objective is to accumulate the assets necessary to pay the promised benefits in an orderly manner. To accomplish this, contribution rates are established in a manner that is designed to keep those rates approximately level as a percentage of payroll form year to year.

The Board of Trustees of the Bay County Employees' Retirement System provides for payment of the required employer contribution as described in Section 20m of Michigan Public Act No. 728.

To determine an appropriate employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Gabriel, Roeder, Smith & Company, conducts annual actuarial valuations.

These valuations are based on your System's past experience, information about current participation and financial markets, and assumptions concerning the System's future demographic and economic activity. The results of the December 31, 2002 valuation, based on the established funding objective, are summarized below:

Fiscal Year Beginning January 1, 2003 Employer Contribution Rates as a Percentage of Active Member Payroll

's Road	,	•				
Sheriff's		17.25	4.8	13.25	(13,25	900
		14.07%	4.00	10.07	(10.07)	%000
Hava		14.11%	4.00	10.11	(10.11)	%000
, readi		15.08%	4.00	11.08	(11,08)	%00'0
SWC		13.36%	4.00	9.36	(9,36)	%00°0
General	funda	13.74%	4.00	9.74	(9.74)	% 000
Contributions For	Normal Cost	Total cos	Member	Employer	Amort, of UAL	Computed Employer Rate

	General					Sheriff's	Road
Funded Status	County	DWS	Library	BABH	MCF	Dept.	Comm
AAL#	\$59.2	\$5.6	\$6.4	\$14.9	\$29.4	\$16.7	\$19.5
Applied assets	80.8	7.6	7.6	20.0	36.7	26.2	21.9
(smoothed market value)*							
%funded	136.8%	135.2%	118.5%	134.3%	124.9%	157.2%	112.0%

#Actuarial Accrued Liabilities

* millions

Actuary's Opinion

It is the actuary's opinion that the contribution rates recommended in the most recent actuarial report are sufficient to meet the System's financial objective.

SUMMARY FINANCIAL INFORMATION

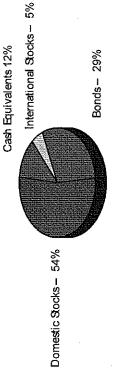
Revenues & Expenditures

2002

\$206,642,895	343,490 0 (25,055,738) 90,514 (24,621,734)	1,507,677 4,934,247 104,217 1,345,823 7,891,964	\$174,129,197
Market Value - January 1	Revenues Member contributions Employer contributions Investment income/(loss) Other revenue Total	Expenditures 420 Asset Transfer Benefit payments Refund of member contributions Investment & administrative expenses Total	Market Value - December 31

The System had \$57,842 of "soft dollar" expenses for investment consulting.





The market rate of return on System assets net of expenses for the year ended December 31, 2002 was (12.87)%. The book value rate of return on System assets net of expenses for the year ended December 31, 2002 was (4.20)%.

(Please refer to the Retirement Ordinance for a complete description)

Amount

See Below

NORMAL RETIREMENT

Total service times 2.00% of FAC for BABH union members. Total service times 2.25% of FAC for all others. Type of final average compensation – Highest 5 years. Some lump sums included. Maximum County-financed is 75% of FAC.

EARLY RETIREMENT

See Below

Normal retirement reduced to the actuarial equivalent

DEFERRED RETIREMENT

8 or more years of credited service. Benefit Computed as a normal retirement but based on service and final begins at age 60 or reduced at age 55. average compensation at time of termination.

NON-DUTY DEATH IN SERVICE

10 or more years of credited service at any age.

Computed as a normal retirement but actuarially reduced accordance with a 100% joint and survivor election.

DUTY DEATH IN SERVICE

No age or service requirements. begin upon termination of Compensation. . Benefits Workers'

> To the spouse, a refund of accumulated contributions plus a benefit equal to the Workers Compensation amount. Unmarried equal to the Workers' Compensation amount. children under 18 and dependent parents receive a benefit

NON-DUTY DISABILITY

10 or more years of credited service

Computed as a normal retirement. Pension may be offset by Workers' Compensation payments.

DUTY DISABILITY

No age or service requirements.

granted to age 55. F Compensation payments. Computed as a normal retirement with additional service credit granted to age 55. Pension may be offset by Workers'

POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS

One-time increases have been granted at various amounts. MEMBER CONTRIBUTIONS

4% of annual compensation. For all employee groups, the employer pays the member contribution.

EMPLOYER CONTRIBUTIONS

Actuarially determined amounts which, together with member contributions, are sufficient to cover both (i) normal costs of the plan, and (ii) financing of unfunded accrued liabilities over a selected period of future years

Retirement Eligibility

NORMAL RETIREMENT

or age 60 with 8 years of service. 30 years of service regardless of age, age 55 with 25 years of service

Age 55 with 30 years of service or age 60 with 8 years of service. Age 55 with 25 years of service or age 60 with 8 years of service.

30 years of service regardless of age or age 60 with 8 years of service. 25 years of service regardless of age or age 60 with 8 years of service.

EARLY RETIREMENT

25 years of service regardless of age or age 55 with 8 years of service Age 55 with 8 years of service.

All Others

Dispatchers and Correction Facility Officers

All Others

Road Commission & DWS

Correction Facility Officers

Road Patrol

Bay Medical Care Facility &

Dispatchers

Retirement System Bay County Employees

SUMMARY ANNUAL REPORT TO MEMBERS **DECEMBER 31, 2003**

Dear Retirement System Member and Retirants:

become disabled, retire, or die. The County also supports a retiree health insurance program, which is separate from the Retirement Trustees, is designed to help you meet your financial needs should you The Retirement System, which is managed by the Retirement Board of

retains professional advisors to assist us in fulfilling these duties general administration of the System and invest its assets. Our Board The Retirement Board's fiduciary responsibility to you is to oversee the

Ordinance and the actuarial valuation, is available in the Finance Office. Ordinance and the Retirement Board's official rules and regulations System, which is governed by the provisions of the County's Retirement and informative. However, a summary cannot cover all the details of the Retirement System and how it operates. We hope you will find it useful We have prepared this summary report to give you a brief overview of the Additional information about the System, including the Retirement

Respectfully submitted,

System Bay County Employees' Retirement Board of Trustees

necessary to pay the promised benefits in an orderly manner. To accomplish this, contribution rates are established in a manner that is designed to keep those rates approximately level as a percentage of payroll form year to year. Your Retirement System's financial objective is to accumulate the assets

provides for payment of the required employer contribution as described in Section 20m of Michigan Public Act No. 728. The Board of Trustees of the Bay County Employees' Retirement System

To determine an appropriate employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Gabriel Roeder, Smith & Company, conducts annual actuarial valuations.

summarized below: December 31, 2003 valuation, based on the established funding objective, are the System's future demographic and economic activity. The results of the about current participation and financial markets, and assumptions concerning These valuations are based on your System's past experience, information

as a Percentage of Active Member Payroll Fiscal Year Beginning January 1, 2004 **Employer Contribution Rates**

ontributions For	General County	DWS	Library	ВАВН	BMCF	Sheriff's Dept.	Road Comm.
lormal Cost							
Total	11 77%	11.33%	13.46%	12.42%	13.58%	14.06%	14.95%
Member	4.00	4,00	4,00	4.00	4.00	4.00	4.00
Employer	7 77	7.33	9.46	8.42	9.58	10.06	10.95
mort of UAL	(7.77)	(7.33)	(9.46)	(8.42)	(9.58)	(10.06)	(10.95)
omputed mployer Rate	0.00%	0.00%	0.00%	0.00%	0,00%	0.00%	0.00%
			2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	the state of the s			

	General				•	Sheriff's	Road
unded Status	County	DWS	Library	BABH	MCF	Dept.	Comm.
AL#	\$59.5	\$5.9	\$6.6	\$15.8	\$31.4	\$17.0	\$20.0
oplied assets	90.2	8.6	8.6	22.9	41.0	29.2	24.6
%funded	151.7%	145.0%	129.3%	144.8%	130.4%	171.9%	123.0%
#Actuarial Accrued Liabilities	Liabilities						

\$ millions

Actuary's Opinion

recent actuarial report are sufficient to meet the System's financial objective. It is the actuary's opinion that the contribution rates recommended in the most

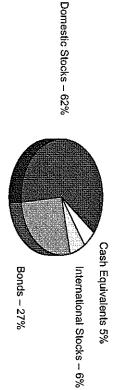
SUMMARY FINANCIAL INFORMATION

Revenues & Expenditures

Expenditures Benefit payments Refund of member contributions Investment & administrative expenses Total Market Value - December 31	Revenues Member contributions Employer contributions Investment income/(loss) Other revenue Total	Market Value - January 1
5,277,995 242,025 1,273,329 6,793,349 \$209,168,060	444,485 553,368 40,754,792 79,567 41,832,212	\$174,129,197

consulting. The System had \$64,170 of "soft dollar" expenses for investment

Investments (Market Value)



System assets net of expenses for the year ended December 31, 2003 The market rate of return on System assets net of expenses for the year ended December 31, 2003 was 23.02%. The book value rate of return on

upon termination of Workers' Compensation. No age or service requirements. Benefits begin

(Please refer to the Retirement Ordinance for a complete description) See Below BRIEF SUMMARY OF PLAN PROVISIONS

NORMAL RETIREMENT

1

Commission members. Total service times 2.25% of FAC for all sums included. Maximum County-financed is 75% of FAC others. Type of final average compensation - Highest 5 years. Lump service times 2.50% of FAC for Sheriff - Road Patrol and Road Total service times 2.00% of FAC for BABII union members.

Normal retirement reduced to the actuarial equivalent

Deperred Reterement

8 or more years of credited service. Benefit Computed as a normal retirement but based on service and final average compensation at time of termination

NON-DUTY DEATH IN SERVICE

Computed as a normal retirement but actuarially reduced in accordance with a 100% joint and survivor election.

10 or more years of credited service at any age

begins at age 60 or reduced at age 55.

DUTY DEATH IN SERVICE

equal to the Workers Compensation amount. Unmarried children under 18 and dependent parents receive a benefit equal to the To the spouse, a refund of accumulated contributions plus a benefit Workers' Compensation amount.

NON-DUTY DISABILITY

Computed as a normal retirement. Pension may be offset by Workers' Compensation payments.

No age or service requirements.

10 or more years of credited service.

granted to age 55. Pension may be offset by Workers' Compensation Computed as a normal retrement with additional service credit

POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS

One-time increases have been granted at various amounts

MEMBER CONTRIBUTIONS

4% of annual compensation. The employer pays the member contributions for all employee groups, except Behavioral Health Union members

EMPLOYER CONTRIBUTIONS

Actuarially determined amounts which, together with member contributions, are sufficient to cover both (i) normal costs of the plan, and (ii) financing of unfunded accrued liabilities over a selected period of future years.

Division	Retirement Eligibility
	NORMAL RETIREMENT
Bay Medical Care Facility &	30 years of service regardless of age, age 55 with 25 years of service, or age 60
Dispalchers	with 8 years of service.
Road Patrol	25 years of service regardless of age or age 60 with 8 years of service.
Correction Facility Officers	Age 55 with 25 years of service or age 60 with 8 years of service.
Road Commission & DWS	30 years of service regardless of age or age 60 with 8 years of service.

Age 55 with 30 years of service or age 60 with 8 years of service.

25 years of service regardless of age or age 55 with 8 years of service. Age 55 with 8 years of service.

All Others

Dispatchers and Correction Facility



FFNAI

SUMMARY ANNUAL REPORT TO MEMBERS **DECEMBER 31, 2004**

Dear Retirement System Member and Retirants:

which is separate from the Retirement System. retire, or die. The County also supports a retiree health insurance program, is designed to help you meet your financial needs should you become disabled, The Retirement System, which is managed by the Retirement Board of Trustees.

advisors to assist us in fulfilling these duties administration of the System and invest its assets. Our Board retains professional The Retirement Board's fiduciary responsibility to you is to oversee the general

about the System, including the Retirement Ordinance and the actuarial valuation, which is governed by the provisions of the County's Retirement Ordinance and is available in the Finance Office. the Retirement Board's official rules and regulations. Additional information informative. However, a summary cannot cover all the details of the System, Retirement System and how it operates. We hope you will find it useful and We have prepared this summary report to give you a brief overview of the

Respectfully submitted

Bay County Employees' Retirement System Board of Trustees

pay the promised benefits in an orderly manner. To accomplish this, contribution level as a percentage of payroll form year to year. rates are established in a manner that is designed to keep those rates approximately Your Retirement System's financial objective is to accumulate the assets necessary to

The Board of Trustees of the Bay County Employees' Retirement System provides for payment of the required employer contribution as described in Section 20m of Michigan Public Act No. 728.

Smith & Company, conducts annual actuarial valuations. independent firm of actuaries and employee benefit consultants, Gabriel, Roeder, gauge how the System's funding is meeting this fundamental objective, an To determine an appropriate employer contribution level for the ensuing year and to

demographic and economic activity. The results of the December 31, 2004 valuation, participation and financial markets, and assumptions concerning the System's future based on the established funding objective, are summarized below: These valuations are based on the System's past experience, information about current

as a Percentage of Active Member Payroll Fiscal Year Beginning January 1, 2005 **Employer Contribution Rates**

Employer Rate* (11.09)% (5.45)%	Amort. of UAL (18.84) (12.91) Computed	7.75	4.00		Normal Cost	Contributions For County DWS
0.68%	(8.92)	9.60	4.00	13.60%		Library
1.11%	(7.32)	8.43	4,00	12.43%		BABH
(2.26)%	(11.78)	9.52	4,00	13.52		BMCF
(24.22)%	(34.98)	10.76	4.00	14.76%		Sheriff's Dept.
8.19%	(4.32)	12.51	4.00	16.51%		Road Comm.

negative rate is 0% of pay. However, employer paid "member contributions" are still required.

(3		General					Sheriff's	Road
48	Funded Status	County	DWS	Library	ВАВН	BMCF	Dept.	Comun,
2	AAL#	\$67.3	\$6.7	\$7.1	\$18.5	\$32.6	\$18.5	\$23.4
Αλ	Applied assets	90.7	8.7	8.7	23.8	41.4	29.3	24.6
4 i	%funded	134.8%	129.2%	122.3%	129.0%	126.8%	157.8%	105.2%
: 4	# Actuarial Accrued Liabilities	iabilities						

Actuary's Opinion

actuarial report are sufficient to meet the System's financial objective. It is the actuary's opinion that the contribution rates recommended in the most recent

SUMMARY FINANCIAL INFORMATION

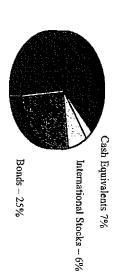
Revenues & Expenditures

2004

Market Value - January 1 Revenues Member contributions Employer contributions Investment income/(loss) Other revenue Total	\$209,168,060 1,218,459 389 25,094,254 103,053 26,416,155
Revenues Member contributions Employer contributions	1,218,45 38
Other revenue Total	103,05 26,416,15
Expenditures Benefit payments	6,367,477
Refund of member contributions Investment & administrative expenses Total	179,510 1,578,540 8,125,527
Market Value - December 31	\$227,458,688

The System had \$62,509 of "soft dollar" expenses for investment consulting.

9	In	
Market Value)	avestments	



Domestic Stocks – 62%

net of expenses for the year ended December 31, 2004 was 7.72% December 31, 2004 was 11.44%. The book value rate of return on System assets The market rate of return on System assets net of expenses for the year ended

(Please refer to the Retirement Ordinance for a complete description)

NORMAL RETIREMENT

See Below

Amount

Total service times 2.00% of FAC for BABH union members. Total service times 2.50% of FAC for Sheriff - Road Patrol and Road

See Below

sums included. Maximum County-financed is 75% of FAC. others. Type of final average compensation - Highest 5 years. Lump Commission members. Total service times 2.25% of FAC for all

EARLY RETIREMENT

Normal retirement reduced to the actuarial equivalent

begins at age 60 or reduced at age 55. 8 or more years of credited service. Benefit

Computed as a normal retirement but based on service and final average compensation at time of termination.

NON-DUTY DEATH IN SERVICE

10 or more years of credited service at any age.

Computed as a normal retirement but actuarially reduced in accordance with a 100% joint and survivor election.

DUTY DEATH IN SERVICE

No age or service requirements. Benefits begin upon termination of Workers' Compensation.

Workers' Compensation amount. under 18 and dependent parents receive a benefit equal to the equal to the Workers Compensation amount. Unmarried children To the spouse, a refund of accumulated contributions plus a benefit

NON-DUTY DISABILITY

10 or more years of credited service.

No age or service requirements

Compensation payments. Computed as a normal retirement. Pension may be offset by Workers'

DUTY DISABILITY

POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS

granted to age 55. Pension may be offset by Workers' Compensation Computed as a normal retirement with additional service credit

One-time increases have been granted at various amounts

MEMBER CONTRIBUTIONS

4% of annual compensation. The employer pays the member contributions for all employee groups, except Behavioral Health Union members.

EMPLOYER CONTRIBUTIONS

the plan, and (ii) financing of unfunded accrued liabilities over a selected period of future years Actuarially determined amounts which, together with member contributions, are sufficient to cover both (i) normal costs of

Division	Retirement Eligibility
	NORMAL RETIREMENT
Facility &	30 years of service regardless of age, age 55 with 25 years of service,

or age 60 with 8 years of service.

25 years of service regardless of age or age 60 with 8 years of service.

Bay Medical Care Facility & Dispatchers

Road Commission & DWS Correction Facility Officers Road Patrol

All Others

Dispatchers and Correction Facility Officers

25 years of service regardless of age or age 55 with 8 years of service. Age 55 with 8 years of service.

EARLY RETIREMENT

Age 55 with 30 years of service or age 60 with 8 years of service. 30 years of service regardless of age or age 60 with 8 years of service. Age 55 with 25 years of service or age 60 with 8 years of service.

Retirement System **Bay County Employees**'

SUMMARY ANNUAL REPORT TO MEMBERS **DECEMBER 31, 2005**

Dear Retirement System Members and Retirants:

which is separate from the Retirement System retire, or die. The County also supports a retiree health insurance program, is designed to help you meet your financial needs should you become disabled, The Retirement System, which is managed by the Retirement Board of Trustees,

advisors to assist us in fulfilling these duties. administration of the System and invest its assets. Our Board retains professional The Retirement Board's fiduciary responsibility to you is to oversee the general

about the System, including the Retirement Ordinance and the actuarial valuation, which is governed by the provisions of the County's Retirement Ordinance and informative. However, a summary cannot cover all the details of the System, Retirement System and how it operates. We hope you will find it useful and the Retirement Board's official rules and regulations. Additional information is available in the Finance Office We have prepared this summary report to give you a brief overview of the

Respectfully submitted

Bay County Employees' Retirement System Board of Trustees

GABRIEL ROEDER SMITH & COMPANY CONSULTANTS & ACTUARIES

Your Retirement System's financial objective is to accumulate the assets necessary to pay the promised benefits in an orderly manner. To accomplish this, contribution rates are established in a manner that is designed to keep those rates approximately level as a percentage of payroll form year to year.

The Board of Trustees of the Bay County Employees' Retirement System provides for payment of the required employer contribution as described in Section 20m of Michigan Public Act No. 728.

To determine an appropriate employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Gabriel, Roeder, Smith & Company, conducts annual actuarial valuations.

These valuations are based on the System's past experience, information about current participation and financial markets, and assumptions concerning the System's future demographic and economic activity. The results of the December 31, 2005 valuation, based on the established funding objective, are summarized below:

Fiscal Year Beginning January 1, 2006 Employer Contribution Rates as a Percentage of Active Member Payroll

* As the System cannot	Computed Employer Rate*	Employer Amort of UAL	Member	Normal Cost Total	Contributions For
4	(9.63)%	7.87 (17.50)	4.00	11.87%	General County
to the employer	9.	7.53	4.00	11.53%	DWS
the present re	1.60%	9.58 (7.98)	4.00	13.58%	Library
Commended en	2.53%	8.54 (6.01)	4.00	12.54%	вавн
anlover contrib	(1,50)% (26.05)9	9.43 (10.93)	4.00	13.43	BMCF
ution for each	(26.05)%	10.78 (36.83)	4.00	14.78%	Sheriff's Dept.
n disa anore	9.34%	12.40 (3.06)	4.00	16.40%	Road Comm.

^{*} As the System cannot contribute back to the employer, the present recommended employer contribution for each group with a negative rate is 0% of pay. However, employer paid "member contributions" are still required.

	General					Sheriff's	Road
Funded Status	County	DWS	Library	BABH	BMCF	Dept.	Comm.
AAL#	\$69.2	\$7.1	\$7.5	\$20.6	\$34.0	\$19.0	\$24,0
Applied assets	91.2	8,9	8.9	25.0	41.9	29.6	24.8
(smoothed market value)* %funded	131.8%	125.7%	118,6%	121.5%	123.0%	156.1%	103.5%

[#] Actuarial Accrued Liabilities
* \$ millions

Actuary's Opinion

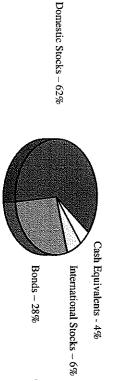
It is the actuary's opinion that the contribution rates recommended in the most recent actuarial report are sufficient to meet the System's financial objective.

SUMMARY FINANCIAL INFORMATION

Revenues & Expenditures

Refund of member contributions Investment & administrative expenses Total 7,657,332 240,091 1,773,997 9,671,420

Investments (Market Value)



The market rate of return on System assets net of expenses for the year ended December 31, 2005 was 4.92%. The book value rate of return on System assets net of expenses for the year ended December 31, 2005 was 11.16%.

(Please refer to the Retirement Ordinance for a complete description)

Blected Officials and Department Heads (div. 1), Judges (div. 2), General County (div. 3), General Circuit Court (div. 4), General District Court (div. 5), General Probate Court (div. 6), BCAMPS (div. 7), USWA-General (div. 8), USWA Part-Time Employees (div. 9), and District Court AFSCME (div. 15) Nurses (div. 10) Sheriff-Road Patrol (div. 11) Sheriff Correctional Facility Officers (div. 12) Dispatchers (Gr. 13)	Elected Officials and Department Heads (div. 1), Judges (div. 2), General County (div. 3), General Circuit Court (div. 4), General District Court (div. 5), General Probate Court (div. 6), BCAMPS (div. 7), USWA-General (div. 8), USWA Part Time Employees (div. 9), and District Court AFSCME (div. 15) Nurses (div. 10) Sheriff-Road Patrol (div. 11) Sheriff Correctional Facility Officers (div. 12) Dispatchers (div. 13) Circuit Court G.E.L.C. (div. 14) Probate Court USWA (div. 16), Housing Commission (div. 17), Library-Employee Members of USWA (div. 16), Housing Commission (div. 17), Library-Employee Members of USWA (div. 16), Patrol Vic. (div. 17), Library-Employee Members of USWA (div. 16), Patrol Vic. (div. 17), Library-Employee Members of USWA (div. 16), Patrol Vic. (div. 17), Library-Employee Members of USWA (div. 18), Patrol Vic. (di
Name . 1), Judges (div. 2), eneral District Court eneral (di, USWA-General (di urt AFSCME (div. 1	Division Blected Officials and Department Heads (div. div. 3), General Circuit Court (div. 4), General Circuit Court (div. 7) Time Employees (div. 9), and District Court (div. 10) Sheriff-Rorectional Facility Officers (div. 13) Dispatchers (div. 13) Circuit Court G.E.L.C. (div. 14)
	n Name liv. 1), Judges (div. 2), General District Court 7), USWA-General (div. 1); Ourt AFSCME (div. 1); 12)
	Normal Retirement Eligibility (d) or (f)* (d) or (f)* (g) or (f)* (g) or (f)* (h) or (c) or (f)*
Normal Retirement Eligibility (d) or (f)* (d) or (f)* (g) or (f)* (e) or (f)* (c) or (f)*	Early Retirement Eligibility (b) (b) (c) or (b) (g) or (b)

9 g G

Age 55 with 30 yrs of service (e) Age 60 with 8 yrs of service (f) Age 60 with 8/10 yrs of service regardless of age (h) 30 yrs of service regardless of age 10 years of service for members hired after 1/1/2006. * 10 years of service for members hired after 1/1/2007.

10 years of service for members hired after 3/1/2007

See Above.

Total service times FAC times:

NORMAL RETTREMENT

2.00% for division 23

2.25% for divisions 1-10, 14, 16-22, 24, and 28-31

2.50% for divisions 11-13, 15, 25-27, and 32

Type of final average compensation (FAC) - Highest 5 years. Some lump sums included. Maximum County-financed is 75% of FAC.

EARLY RETIREMENT

Normal retirement reduced to the actuarial equivalent

DEFERRED RETIREMENT

See Above

age 60 or reduced at age 55. depending on date of hire. Benefit begins at 8/10 or more years of credited service

> Computed as a normal retirement but based on service and final average compensation at time of termination.

and Duty Disability. Please check the Retirement Ordinance for a complete description of these benefit options The Retirement System also provides benefits for Non-Duty Death in Service, Duty Death in Service, Non-Duty Disability

POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS

One-time increases have been granted at various amount

MEMBER CONTRIBUTIONS

6% of annual compensation for divisions 11-13, 15; and 32. 4% of annual compensation for remaining divisions. employer pays the member contributions for all employee groups, except Behavioral Health Union members

EMPLOYER CONTRIBUTIONS

the plan, and (ii) financing of unfunded accrued liabilities over a selected period of future years Actuarially determined amounts which, together with member contributions, are sufficient to cover both (i) normal costs of



SUMMARY ANNUAL REPORT TO MEMBERS **DECEMBER 31, 2006**

Dear Retirement System Members and Retirants:

separate from the Retirement System. or die. The County also supports a retiree health insurance program, which is designed to help you meet your financial needs should you become disabled, retire, The Retirement System, which is managed by the Retirement Board of Trustees, is

advisors to assist us in fulfilling these duties administration of the System and invest its assets. Our Board retains professional The Retirement Board's fiduciary responsibility to you is to oversee the general

available in the Finance Office or can be accessed via the County's website. Retirement Board's official rules and regulations. Additional information about is governed by the provisions of the County's Retirement Ordinance and the informative. However, a summary cannot cover all the details of the System, which Retirement System and how it operates. We hope you will find it useful and the System, including the Retirement Ordinance and the actuarial valuation, is We have prepared this summary report to give you a brief overview of the

Respectfully submitted

Bay County Employees' Retirement System **Board of Trustees**

GABRIEL ROEDER SMITH & COMPANY CONSULTANTS & ACTUARIES

established in a manner that is designed to keep those rates approximately level as a percentage of payroll form year to year. the promised benefits in an orderly manner. To accomplish this, contribution rates are Your Retirement System's financial objective is to accumulate the assets necessary to pay

payment of the required employer contribution as described in Section 20m of Michigan Public Act No. 728. The Board of Trustees of the Bay County Employees' Retirement System provides for

conducts annual actuarial valuations. To determine an appropriate employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Gabriel, Roeder, Smith & Company,

participation and financial markets, and assumptions concerning the System's future based on the established funding objective, are summarized below: demographic and economic activity. The results of the December 31, 2006 valuation, These valuations are based on the System's past experience, information about current

Fiscal Year Beginning January 1, 2007 Employer Contribution Rates as a Percentage of Active Member Payroll
--

¥							
As the System cannot	Computed Employer Rate*	Amort. of UAL	Employer	Member	Total	Normal Cost	Contributions For
contribute back to		(17.97)	7.81	4.20	12.01%		General County
the employer	(3.72)%	(11.26)	7.54	4.00	11.54%		DWS
r the precent	(9.43)%	(18.08)	8.65	4.00	12.65%		Library
recommended e	3.24%	(5.38)	8.62	4.00	12.62%		вавн
ייים אים דים מחודים	(0.94)%	(10.36)	9.42	4.00	13.42%		BMCF
bution for each	(24.86)%	(34.62)	9.76	6.00	15.76%		Sheriff's Dept.
oroun	10.82%	(1.71)	12.53	4.00	16.53%		Road Comm.

with a negative rate is 0% of pay. However, employer paid "member contributions" are still required. employer contribution for each group

	General					Sheriff's	Road
Funded Status	County	DWS	Library	BABH	BMCF	Dept.	Comm.
AAL#*	\$71.1	\$7.7	\$7.5	\$22.7	\$35.6	\$20.2	\$25.0
Applied assets *	93.2	9.4	9.2	26.7	43.2	30.5	25.4
(smoothed market value) %funded	131.1%	122.9%	123.1%	117.7%	121.2%	150.7%	101.7%
# Actuarial Accrued Lia	abilities	٠.					

Actuary's Opinion

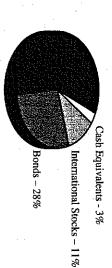
actuarial report are sufficient to meet the System's financial objective. It is the actuary's opinion that the contribution rates recommended in the most recent

SUMMARY FINANCIAL INFORMATION

Revenues & Expenditures

	10000
Market Value - January 1	\$231,398,346
Revenues	
Member contributions	1,146,511
Employer contributions	605,150
Investment income/(loss)	20,459,709
Other revenue	250,762
Total	22,462,132
Expenditures	
Benefit payments	8,214,249
Refund of member contributions	237,975
Investment & administrative expenses	1,824,543
Total	10,276,767
Market Value - December 31	\$243,583,711

(Market Value) Investments



Domestic Stocks - 58%

December 31, 2006 was 8.37%. The market rate of return on System assets net of expenses for the year ended

(Please refer to the Retirement Ordinance for a complete description)

Division Name	Eligibility	Ketirement Elioibility
Elected Officials and Department Heads (div. 1), Judges (div. 2), General County	(d) or (f)*	(b) _*
(div. 3), General Circuit Court (div. 4), General District Court (div. 5), General		
Probate Court (div. 6), BCAMPS (div. 7), USWA-General (div. 8), USWA Part-		
Time Employees (div. 9), and District Court AFSCME (div. 15)		
Nurses (div. 10)	(d) or (f)#	(b)*
Sheriff-Road Patrol (div. 11)	(g) or (f)*	<u></u> е.
Sheriff Correctional Facility Officers (div. 12)	(c) or (f)*	(g) or (b)*
Dispatchers (div. 13)	(h) or (c) or (f)*	(g) or (b)*
Circuit Court G.E.L.C. (div. 14)	(d) or (f) [@]	(b) [@]
Probate Court USWA (div. 16), Housing Commission (div. 17), Library-Employee	(d) or (e)	a)
Members of USWUA Local 542 (div. 18), General Library (div. 19), Behavioral		
Health AFSCME (div. 23), Behavioral Health General (div. 24),		
ICEA/PARA 1203 (div. 30), and ICEA/PARA 612 (div. 31)	(d) or (e)!	(a)!
MCF United Steel Workers Local 15301 (div. 20), MCF RN & LPN Nursing Council	(h) or (c) or (e)	(a)
div. 21), General MCF (div. 22)	(h) or (a)	(a)
Supervisory and Admin. Employees (div. 26), Road Commission Class II	(n) or (e)	(8
Supervisory and Admin. Employees (div. 27),		
Water and Sewer UWUA Local 546 (div. 28), and Water and Sewer General	(h) or (e)^	(a),
(div. 29)		
Road Patrol Supervisory Unit (div. 32)	(g) or (f) [@]	(b) [®]
(a) Age 55 with 8 yrs of service (b) Age 55 with 8/10 yrs of service (c)	>	rs of service

- ® @ <u>@</u> Age 55 with 30 yrs of service 25 yrs of service regardless of age

(f) Age 60 with 8/10 yrs of service

- Age 55 with 30 yrs of service
 25 yrs of service regardless of age
 10 years of service for members hired after 1/1/2006.
 10 years of service for members hired after 3/1/2007.

 (e) Age 60 with 8 yrs of service regardless of age
 10 years of service for members hired after 3/1/2007.

 (a) Age 60 with 8 yrs of service regardless of age
 10 years of service for members hired after 3/1/2007.

 (b) Age 60 with 8 yrs of service
 10 years of service regardless of age
 11 years of service regardless of age
 12 years of service for members hired after 3/1/2007.

 (c) Age 60 with 8 yrs of service
 13 years of service regardless of age
 14 years of service for members hired after 3/1/2007.

 (c) Age 60 with 8 yrs of service
 14 years of service regardless of age
 15 years of service regardless of age
 16 years of service regardless of age
 17 years of service regardless of age
 18 years of service regardless of age
 19 years of service regardless of age
 10 years of service regardless of age
 10 years of service for members hired after 3/1/2007.

 (c) Age 60 with 8 yrs of service regardless of age
 10 years of service for members hired after 3/1/2007. 10 years of service for members hired after 1/1/2007 10 years of service for members hired after 7/1/2008.
- 10 years of service for members hired after 3/1/2008

Amount

NORMAL RETIREMENT

See Above

Total service times FAC times: 2.00% for division 23

2.25% for divisions 1-10, 14, 16-22, 24, and 28-31

2.50% for divisions 11-13, 15, 25-27, and 32

Type of final average compensation (FAC) - Highest 5 years. Some lump sums included. Maximum County-financed is 75% of FAC.

EARLY RETIREMENT

DEFERRED RETIREMENT Normal retirement reduced to the actuarial equivalent

See Above.

age 60 or reduced at age 55. 8/10 or more years of credited service depending on date of hire. Benefit begins at

> compensation at time of termination. Computed as a normal retirement but based on service and final average

The Retirement System also provides benefits for Non-Duty Death in Service, Duty Death in Service, Non-Duty Disability, and Duty Disability. Please check the Retirement Ordinance for a complete description of these benefit options.

One-time increases have been granted at various amounts POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS

MEMBER CONTRIBUTIONS

employer pays the member contributions for all employee groups, except Behavioral Health Union members 6% of annual compensation for divisions 11-13, 15, and 32. 4% of annual compensation for remaining divisions. The

EMPLOYER CONTRIBUTIONS

the plan, and (ii) financing of unfunded accrued liabilities over a selected period of future years. Actuarially determined amounts which, together with member contributions, are sufficient to cover both (i) normal costs of

Bay County Employees' Retirement System

SUMMARY ANNUAL REPORT TO MEMBERS **DECEMBER 31, 2007**

Dear Retirement System Members and Retirants:

separate from the Retirement System. or die. The County also supports a retiree health insurance program, which is designed to help you meet your financial needs should you become disabled, retire, The Retirement System, which is managed by the Retirement Board of Trustees, is

advisors to assist us in fulfilling these duties. administration of the System and invest its assets. Our Board retains professional The Retirement Board's fiduciary responsibility to you is to oversee the general

Retirement System and how it operates. We hope you will find it useful and available in the Finance Office or can be accessed via the County's website. the System, including the Retirement Ordinance and the actuarial valuation, is Retirement Board's official rules and regulations. Additional information about is governed by the provisions of the County's Retirement Ordinance and the informative. However, a summary cannot cover all the details of the System, which We have prepared this summary report to give you a brief overview of the

Respectfully submitted

Bay County Employees' Retirement System Board of Trustees

Gabriel Roeder Smith & Company Consultants & Actuaries

established in a manner that is designed to keep those rates approximately level as a percentage of payroll from year to year. the promised benefits in an orderly manner. To accomplish this, contribution rates are Your Retirement System's financial objective is to accumulate the assets necessary to pay

Public Act No. 728. payment of the required employer contribution as described in Section 20m of Michigan The Board of Trustees of the Bay County Employees' Retirement System provides for

conducts annual actuarial valuations. gauge how the System's funding is meeting this fundamental objective, an independent To determine an appropriate employer contribution level for the ensuing year and to firm of actuaries and employee benefit consultants, Gabriel, Roeder, Smith & Company,

based on the established funding objective, are summarized below: demographic and economic activity. The results of the December 31, 2007 valuation. participation and financial markets, and assumptions concerning the System's future These valuations are based on the System's past experience, information about current

as a Percentage of Active Member Payroll Fiscal Year Beginning January 1, 2008 **Employer Contribution Rates**

Contributions For	General County	DWS	Library	BABH	BMCF	Sheriff's Dept.	Road Comm.
Normal Cost							
Total	12.04%	11.46%	13.32%	12.74%	13.39%	15.75%	16.44%
Member	4.21	4.00	4.00	4.00	4.00	6.00	4.00
Employer	7.83	7.46	9.32	8.74	9.39	9.75	12.44
Amort. of UAL	(17.81)	(10.27)	(17.09)	(5.04)	(12.34)	(36.73)	(3.27)
Computed	, ** 			1			i l
Employer Rate*	(9.98)%	(2.81)%	(7.77)%	3.70%	(2.95)%	(26,98)%	9.17%
* As the System cannot c	ontribute back to the employer, the present	o the employer		recommended employer contribution for each group	mployer contri	bution for each	group

with a negative rate is 0% of pay. However, employer paid "member contributions" are still required.

(smoothed market value) %funded	AAL#* Applied assets *	Funded Status
131.5%	\$74.9 98.5	General County
118.8%	\$ 8.6 10.2	DWS
126.4%	\$7.8 9.8	Library
116.3%	\$25.4 29.5	BABH
124.3%	\$37.1 46.1	BMCF
153.4%	\$21.1 32.4	Sheriff's Dept.
103.4%	\$26.0 26.9	Road Comm.

[#] Actuarial Accrued Liabilities
* \$ millions

Actuary's Opinion

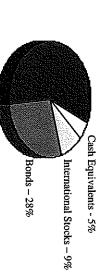
actuarial report are sufficient to meet the System's financial objective. It is the actuary's opinion that the contribution rates recommended in the most recent

SUMMARY FINANCIAL INFORMATION

Revenues & Expenditures

	2007
Market Value - January 1	\$243,583,711
Revenues:	
Member contributions	1,123,376
Employer contributions	706,090
Investment income/(loss)	19,591,552
Other revenue	312,554
Total	21,733,572
Expenditures:	
Benefit payments	8,723,427
Refund of member contributions	346,143
Investment expenses	1,869,322
Administrative expenses	149,792
Total	11,088,684
Market Value - December 31	\$254,228,599

(Market Value) Investments



Domestic Stocks - 58%

December 31, 2007 was 7.52% The market rate of return on System assets net of expenses for the year ended

(Please refer to the Retirement Ordinance for a complete description)

	1			_		_	1	_				_	-		_								_	í
(c) Age 52 will 30 yes of service (c) Age 60 will 0 yes of service regardless of age (h) 30 yrs of service regardless of age (h) 30 yrs of service regardless of age (g) 25 yrs of service for members hired after 1/1/2006. * 10 years of service for members hired after 3/1/2007. * 10 years of service for members hired after 3/1/2007. * 10 years of service for members hired after 3/1/2007.	Age 55 with 8 yrs of service (b) Age 55 with 8/10 yrs of service	Road Patrol Supervisory Unit (div. 32)	Water and Sewer UWUA Local 546 (div. 28), and water and Sewer General (div. 29)	Supervisory and Admin. Employees (div. 27),	Supervisory and Admin. Employees (div. 26), Road Commission Class II	Road Commission AFSCME Local 1096 (div. 25), Road Commission Class I	Council (div. 21), General MCF (div. 22)	MCF United Steel Workers Local 15301 (div. 20), MCF RN & LPN Nursing	19), ICEA/PERA 1203 (div. 30), and ICEA/PERA 612 (div. 31)	Library-Employee Members of USWUA Local 542 (div. 18), General Library (div.	AFSCME (div. 23), Behavioral Health General (div. 24),	Probate Court USWA (div. 16), Housing Commission (div. 17), Behavioral Health	Circuit Court G.E.L.C. (div. 14)	Dispatchers (div. 13)	Sheriff Correctional Facility Officers (div. 12)	Sheriff-Road Patrol (div. 11)	Nurses (div. 10)	Time Employees (div. 9), and District Court AFSCME (div. 15)	Probate Court (div. 6), BCAMPS (div. 7), USWA-General (div. 8), USWA Part-	(div. 3), General Circuit Court (div. 4), General District Court (div. 5), General	Elected Officials and Department Heads (div. 1), Judges (div. 2), General County	Division Name		
for members hired a	Δ Δ	(g) or (f) [@]	(n) or (e)	4.7 - 7.74		(h) or (e)		(h) or (c) or (e)		(d) or (e)!		(d) or (e)	(d) or (f) ^(e)	(b) or (c) or (f)*	(c) or (f)*	(g) or (f) [†]	(d) or (f)*				(d) or (f)*	Retirement Eligibility	Normal	
ther 1/1/2007.	urs of service	(b) ⁶⁶	(a)^^			(a)		(a)	,	(a)!		(a)	(b) ⁶⁶	(g) or (b)*	(g) or (b)*	(b) <u>*</u>	(b)#				()	Retirement Eligibility	Early	

Eligibility	

See Above.

NORMAL RETIREMENT

Total service times FAC times:

2.00% for division 23

2.25% for divisions 1-10, 14, 16-22, 24, and 27-31 2.50% for divisions 11-13, 15, 25-26, and 32

Type of final average compensation (FAC) - Highest 5 years. Some lump sums included. Maximum County-financed is 75% of FAC.

EARLY RETIREMENT

See Above

Normal retirement reduced to the actuarial equivalent

DEFERRED RETIREMENT

8/10 or more years of credited service depending on date of hire. Benefit begins at average compensation at time of termination. Computed as a normal retirement but based on service and final

The Retirement System also provides benefits for Non-Duty Death in Service, Duty Death in Service, Non-Duty Disability, and Duty Disability. Please check the Retirement Ordinance for a complete description of these benefit

age 60 or reduced at age 55.

One-time increases have been granted at various amounts POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS

MEMBER CONTRIBUTIONS

6% of annual compensation for divisions 11-13, 15, and 32. 4% of annual compensation for remaining divisions. employer pays the member contributions for all employee groups, except division 23 The

the plan, and (ii) financing of unfunded accrued liabilities over a selected period of future years.

Actuarially determined amounts which, together with member contributions, are sufficient to cover both (i) normal costs of

EMPLOYER CONTRIBUTIONS

Retirement System Bay County Employees

SUMMARY ANNUAL REPORT TO MEMBERS **DECEMBER 31, 2008**

Dear Retirement System Members and Retirants:

retire, or die. The County also supports a retiree health insurance program, designed to help you meet your financial needs should you become disabled, which is separate from the Retirement System. The Retirement System, which is managed by the Retirement Board of Trustees, is

advisors to assist us in fulfilling these duties. administration of the System and invest its assets. Our Board retains professional The Retirement Board's fiduciary responsibility to you is to oversee the general

which is governed by the provisions of the County's Retirement Ordinance and the informative. However, a summary cannot cover all the details of the System, available in the Finance Office or can be accessed via the County's website. the System, including the Retirement Ordinance and the actuarial valuation, is Retirement Board's official rules and regulations. Additional information about Retirement System and how it operates. We hope you will find it useful and We have prepared this summary report to give you a brief overview of the

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Bay County Employees' Retirement System Board of Trustees

Gabriel Roeder Smith & Company Consultants & Actuaries

percentage of payroll from year to year. established in a manner that is designed to keep those rates approximately level as a the promised benefits in an orderly manner. To accomplish this, contribution rates are Your Retirement System's financial objective is to accumulate the assets necessary to pay

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demographic and economic activity. The results of the December 31, 2008 valuation, These valuations are based on the System's past experience, information about current based on the established funding objective, are summarized below: participation and financial markets, and assumptions concerning the System's future

as a Percentage of Active Member Payroll Fiscal Year Beginning January 1, 2009 **Employer Contribution Rates**

* As the System	Computed Employer Rate*	Amort, of U	Employer	Member	Total	Normal Cost	Contributions For
a Cannot cont	ate*	AL.]
ribute back to	(5.47)%	(13.27)	7.80	4.21	12.01%		General County
bute back to the employer	4.44%	(2.83)	7.27	4.00	11.27%		DWS
the present	(1.61)%	(10.86)	9.25	4.00	13.25%		Library
recommended e	6.95%	(1.75)	8.70	4.00	12.70%		BABH
mplover contri	2.32%	(7.06)	9.38	4.00	13.38%		вмсғ
bution for each group	(17.11)%	(26.84)	9.73	6.00	15.73%		Sheriff's Dept.
eroup	14.13%	1.71	12.42	4.00	16.42%		Road Comm.

As the System cannot contribute buck to the employer, the present recommended employer construs-with a negative rate is 0% of pay. However, employer paid "member contributions" are still required.

Funded Status Co	General County	DWS	Library	ВАВН	вмсғ	Sheriff's Dept.	Road Comm.
	\$77.6	\$ 9.7	\$8.0	\$28.0	\$39.4	\$22.7	\$27.0
	0	10.2	9.6	29.6	44.9	31.4	25.9
(smoothed market value))) 5 <i>0</i> %	104.6%	118.7%	105.6%	113.9%	138.3%	96.0%

[#] Actuarial Accrued Liabilities
* \$ millions

Actuary's Opinion

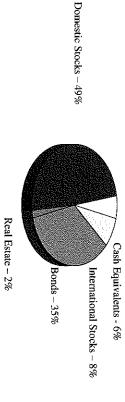
actuarial report are sufficient to meet the System's financial objective It is the actuary's opinion that the contribution rates recommended in the most recent

SUMMARY FINANCIAL INFORMATION

Revenues & Expenditures

	2008
Market Value - January 1	\$254,228,599
Revenues:	
Member contributions	1,376,314
Employer contributions	718,886
Investment income/(loss)	(75,584,693)
Other revenue	459,768
Total	(73,029,725)
Expenditures:	
Benefit payments	9,069,218
Refund of member contributions	200,452
Investment expenses	1,597,704
Administrative expenses	<u>156,414</u>
Total	11,023,788
Market Value - December 31	\$ <u>170,175,086</u>

(Market Value) Investments



December 31, 2008 was (30.62%). The market rate of return on System assets net of expenses for the year ended

(Please refer to the Retirement Ordinance for a complete description)

1	_			-	_			· T	-		. 1		+,	.		
(a) Age 55 with 8 yrs of service (b). Age 55 with 8/10 yrs of service (d). Age 55 with 8 yrs of service (d). Age 60 with 8 yrs of service (d).	Road Patrol Supervisory Unit (div. 32)	Water and Sewer UWUA Local 546 (div. 28), and Water and Sewer General (div. 29)	Supervisory and Admin. Employees (div. 26). Road Commission Class (I Supervisory and Admin. Employees (div. 27).	Road Commission AFSCME Local 1096 (div. 25), Road Commission Class I	MCF United Steel Workers Local 15301 (div. 20), MCF RN & LPN Nursing	Library-Employee Members of USWUA Local 542 (div. 18), General Library (div. 19), ICEA/PERA 1203 (div. 30), and ICEA/PERA 612 (div. 31)	Probate Court USWA (div. 16), Housing Commission (div. 17), Behavioral Health AFSCME (div. 23), Behavioral Health General (div. 24);	Circuit Court G.E.L.C. (div. 14)	Sheriff Correctional Facility Officers (div. 12) Dispatchers (div. 13)	Sheriff-Road Patrol (div. 11)	Nurses (div. 10)	Probate Court (div. 6), BCAMPS (div. 7), USWA-General (div. 8), USWA-Part- Time Employees (div. 9), and District Court AFSCME (div. 15)	(div. 3), General Circuit Court (div. 4), General District Court (div. 5), General	Elected Officials and Department Heads (div. 1), Judges (div. 2), General County	Division Name	
(c) Age 55 with 25 yrs of service (f) Age 60 with 8/10 yrs of service	(g) or (f) (g)	(h) or (e)^		(h) or (e).	(h) or (c) or (e)	(d) or (e)!	(d) or (c)	(d) or (f) [@]	(c) or (f) (h) or (c) or (f)	(g) or (f)	(d) or (f)#			(d) or (f)*	Retirement Eligibility	Normal
rs of service yrs of service	(b) ^(e)	(a)^^		(a)	(a)	(a)!	(a)	(b)**	(g) or (b)	(b)*	(d),			(b)*	Retirement Eligibility	Early

- Age 55 with 30 yrs of service 25 yrs of service regardless of age
- (e) Age 60 with 8 yrs of service(h) 30 yrs of service regardless of age 10 years of service for members hired after 1/1/2007.
- @ @ <u>@</u> 10 years of service for members hired after 1/1/2006. 10 years of service for members hired after 3/1/2007.
- 10 years of service for members hired after 3/1/2008 10 years of service for members hired after 7/1/2008.

Eligibility

See Above.

NORMAL RETIREMENT Total service times FAC times:

2.00% for division 23

2.25% for divisions 1-10, 14, 16-22, 24, and 27-31.

Type of final average compensation (FAC) - Highest 5 years. Some 2.50% for divisions 11-13, 15, 25-26, and 32

lump sums included. Maximum County-financed is 75% of FAC.

EARLY RETIREMENT

Normal retirement reduced to the actuarial equivalent

See Above

DEFERRED RETIREMENT

age 60 or reduced at age 55. depending on date of hire. Benefit begins at 8/10 or more years of credited service

average compensation at time of termination. Computed as a normal retirement but based on service and final

Disability, and Duty Disability. Please check the Retirement Ordinance for a complete description of these benefit The Retirement System also provides benefits for Non-Duty Death in Service, Duty Death in Service, Non-Duty

POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS

One-time increases have been granted at various amounts

MEMBER CONTRIBUTIONS

employer pays the member contributions for all employee groups, except division 23 6% of annual compensation for divisions 11-13, 15; and 32: 4% of annual compensation for remaining divisions. The

EMPLOYER CONTRIBUTIONS

the plan, and (ii) financing of unfunded accrued liabilities over a selected period of future years Actuarially determined amounts which, together with member contributions, are sufficient to cover both (i) normal costs of



Bay County Employees Retirement System

SUMMARY ANNUAL REPORT TO MEMBERS **DECEMBER 31, 2009**

Dear Retirement System Members and Retirants:

retire, or die. The County also supports a retiree health insurance program, which is separate from the Retirement System. designed to help you meet your financial needs should you become disabled, The Retirement System, which is managed by the Retirement Board of Trustees, is

administration of the System and invest its assets. Our Board retains professional advisors to assist us in fulfilling these duties. The Retirement Board's fiduciary responsibility to you is to oversee the general

available in the Finance Office or can be accessed via the County's website. which is governed by the provisions of the County's Retirement Ordinance and the informative. However, a summary cannot cover all the details of the System, the System, including the Retirement Ordinance and the actuarial valuation, is Retirement Board's official rules and regulations. Additional information about Retirement System and how it operates. We hope you will find it useful and We have prepared this summary report to give you a brief overview of the

Respectfully submitted

Board of Trustees Bay County Employees' Retirement System

Gabriel Roeder Smith & Company Consultants & Actuaries

Your Retirement System's financial objective is to accumulate the assets necessary to pay the promised benefits in an orderly manner. To accomplish this, contribution rates are established in a manner that is designed to keep those rates approximately level as a percentage of payroll from year to year.

The Board of Trustees of the Bay County Employees' Retirement System provides for payment of the required employer contribution as described in Section 20m of Michigan Public Act No. 728.

To determine an appropriate employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Gabriel, Roeder, Smith & Company, conducts annual actuarial valuations.

These valuations are based on the System's past experience, information about current participation and financial markets, and assumptions concerning the System's future demographic and economic activity. The results of the December 31, 2009 valuation, based on the established funding objective, are summarized below:

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Percentage of Active Member 1	-	Fiscal Year B
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Contributions For	General County	DWS	Library	вавн	BMCF	Sheriff's Dept.	Road Comm.
Normal Cost							
Total	12.02%	11.26%	13.42%	12.77%	13.34%	15.70%	16.57%
Member	4.21	4.00	4.00	4.00	4.00	6.00	4.00
Employer	7.81	7.26	9.42	8.77	9.34	9.70	12.57
Amort, of UAL	(9.72)	0.14	(7.35)	<u>0.06</u>	(4.71)	(24.52)	<u>5.18</u>
Computed Employer Rate*	(1.91)%	7.40%	2.07%	8.83%	4.63%	(14.82)%	17.75%
Cur	contribute back t	to the employer the oweren					
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As the System cannot contribute back to the employer, the present recommended employer contribution for each group with a negative rate is 0% of pay. However, employer paid "member contributions" are still required.

	Funded Status	County	DWS			BMCF	Dept.	Comm.
\$80.4 \$10.2 \$8.3 \$30.7 \$40.8 \$22.9	AAL#*	\$80.4	\$10.2	1.5		\$40.8	\$22.9	\$28.1
* 92.9 10.1 9.5 30.5 44.3	Applied assets *	92.9	10.1		10	44.3	30.7	25.2
(smoothed market value) 115.6% 99.5% 113.6% 99.5% 108.5% 134.0% 89.7%	(smoothed market value) %funded	115.6%	99.5%	113.6%	99.5%	108.5%	134.0%	89.7%

[#] Actuarial Accrued Liabiliti

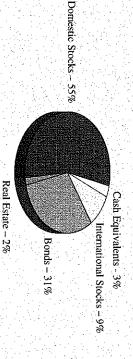
It is the actuary's opinion that the contribution rates recommended in the most recent actuarial report are sufficient to meet the System's financial objective.

SUMMARY FINANCIAL INFORMATION

Revenues & Expenditures

Market Value - December 31	Investment expenses Administrative expenses Total	Expenditures: Benefit payments Refund of member contributions	Other revenue Total	Kevenues: Member contributions Employer contributions	Market Value - January 1
\$205,994,725	1,390,449 178,423 11,536,296	9,740,033 227,391	43,632,772 239,892 47,355,935	1,733,863 1,749,408	\$170,175,086

Investments (Market Value)



The market rate of return on System assets net of expenses for the year ended December 31, 2009 was 25.46%.

Actuary's Opinion