State of Michigan
Department of Treasury

Background on Municipal and County OPEB

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Forces Driving OPEB Challenge

- Increase in health care costs
- Demographic challenges as retirement population increases
- Lack of OPEB accounting until 2008 and lack of commitment to pre-funding

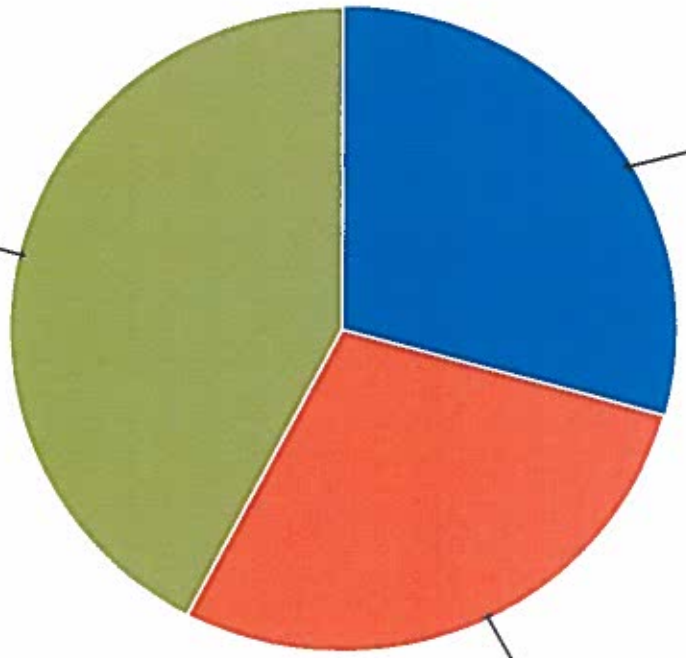
OPEB as Expense Burden

- OPEB is now consuming a significant portion of current budget expenses for local govt.
  - Despite this burden, most local governments are not fully funding annual required contribution
- $800 million for cities, counties, villages and townships is <u>estimated required payment</u>
- $480 million is what is <u>actually being paid</u> today

OPEB Liabilities

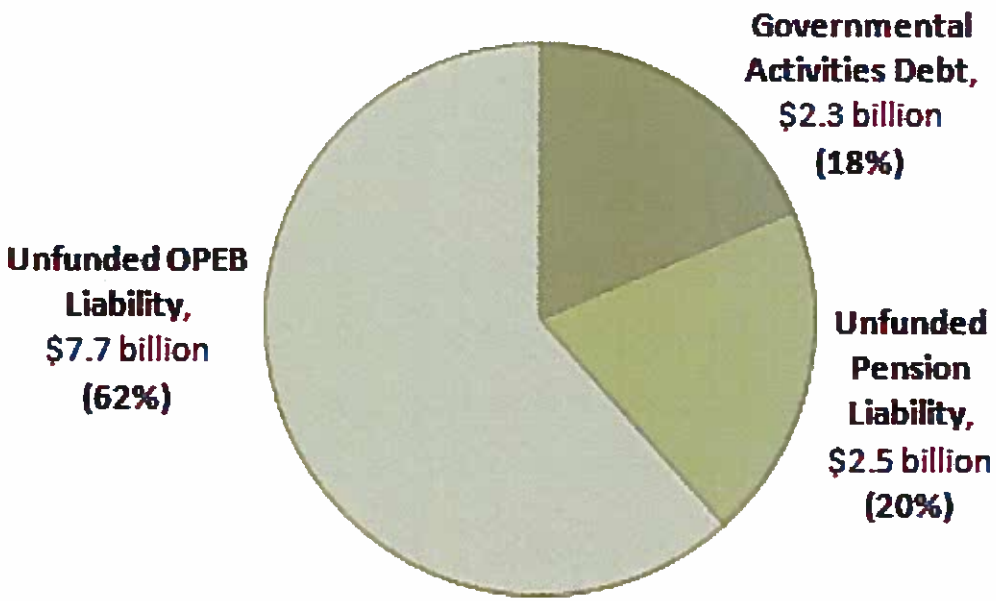
- $7.9 billion for cities, villages and townships
- $3 billion for counties
- Total of $11 billion in unfunded liabilities
- Major cause of negative net position (assets) for local governments

County Liabilities in Total



Cities, Villages and Townships Total Liabilities

Total Local Unit Long-term Liabilities, Excluding Detroit



Municipal OPEB Funding Ratios

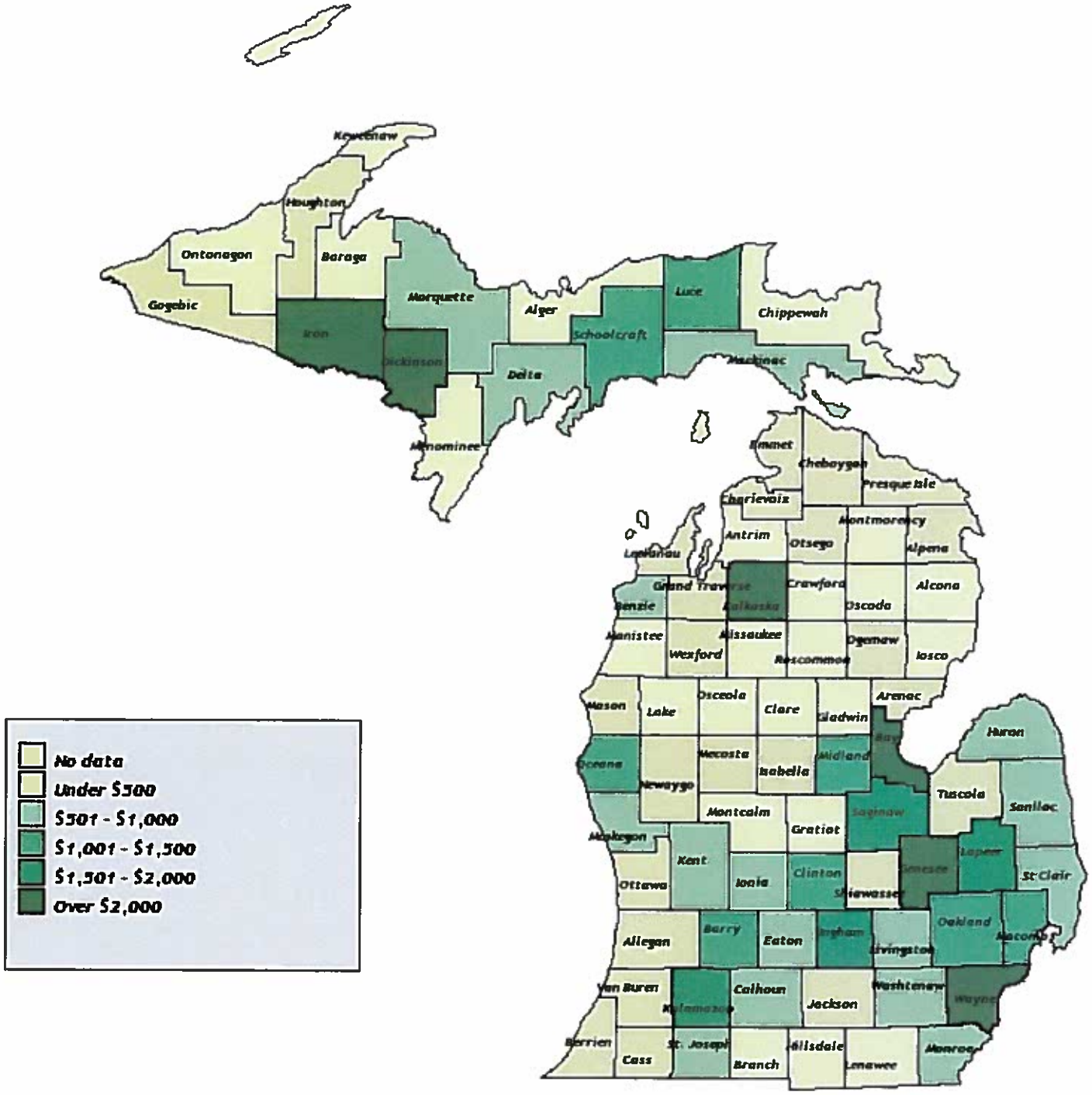
Pop. Size	2011	2014
less than 1,500	0.0%	1.3%
1,501-5,000	0.0%	5.6%
5,001 - 10,000	0.2%	9.5%
10,001 - 30,000	0.8%	8.3%
30,000 - 200,000	5.0%	16.6%
total OPEB Assets	810,080,965	1,107,303,880
total OPEB liabilties	8,570,508,617	7,915,452,477
overall funding level	9.5%	14.0%

Municipal OPEB as Percent of Revenue

	Number of Units	Government Wide Revenue	OPEB ARC	% of GW Revenue
less than 1,500	11	24,044,364	1,014,266	4%
1,501-5,000	70	208,812,690	11,618,284	6%
5,001 - 10,000	56	349,866,714	30,361,103	9%
10,001 - 30,000	88	1,074,714,714	126,319,962	12%
30,000 - 200,000	58	2,911,972,010	372,736,822	13%
total	283	4,569,410,492	542,050,437	12%

County OPEB as Percent of Revenue

Population Category	Number of Units with Prefunding	OPEB Assets	OBEP Liabilities	Funded Status
Less than 15,000	1	436,354	27,497,934	0.02
15,001 - 25,000	1	437,412	11,918,097	0.04
25,001 - 35,000	3	5,931,152	60,323,096	0.10
35,001 - 65,000	3	6,031,613	50,241,042	0.12
65,001 - 115,000	5	50,312,364	261,211,710	0.19
Greater than 115,000	16	1,505,745,368	4,137,839,976	0.36
Total	29	1,568,894,263	4,549,031,855	0.34


Keweenaw
Houghton
Ontonagon
Baraga
Gogebic
Iron
Marquette
Dickinson
Alger
Delta
Menominee
Schoolcraft
Luce
Chippewa
Mackinac
Emmet
Cheboygan
Presque Isle
Charlevoix
Antrim
Otsego
Montmorency
Alpena
Leelanau
Grand Traverse
Kalkaska
Crawford
Oscoda
Alcona
Benzie
Manistee
Missaukee
Ogemaw
Wexford
Roscommon
Iosco
Mason
Lake
Osceola
Clare
Gladwin
Arenac
Bay
Huron
Oceana
Mecosta
Isabella
Midland
Newaygo
Tuscola
Sanilac
Montcalm
Saginaw
Gratiot
Muskegon
Kent
Lapeer
Genesee
St. Clair
Ottawa
Ionia
Clinton
Shiawassee
Oakland
Macomb
Allegan
Barry
Eaton
Ingham
Livingston
Van Buren
Kalamazoo
Calhoun
Jackson
Washtenaw
Wayne
Berrien
Cass
St. Joseph
Branch
Hillsdale
Lenawee
Monroe
No data
Under $500
$501 - $1,000
$1,001 - $1,500
$1,501 - $2,000
Over $2,000