

Economic Vitality Incentive Program/County Incentive Program FY 2014 Unfunded Accrued Liability Plan

Local Unit Name: City of Coldwater
Local Unit Code: 122020

PREVIOUS ACTION TAKEN TO REDUCE UNFUNDED ACCRUED LIABILITIES

Previous Actions Taken To Reduce Unfunded Accrued Liabilities		
	Unfunded Accrued Liability Type	Previous Action Taken
1.	Pension	Starting in 1997 the City of Coldwater began adopting a defined contribution plan for some new hires. As of May 1, 2002 all City defined benefit plans were closed to new hires. As of that date all new hires were entered into a defined contribution plan.
2.		
3.		
4.		

How Will The Local Unit Continue To Implement And Maintain Previous Actions Taken

By closing all defined benefit plans to new hires the City has significantly reduced its overall long term pension costs and allowed the City to continue to honor its commitments to long time employees and retirees who are part of the closed defined benefit plans. The City currently levies 1/3 of a mill for retirement. Funding for the remainder of the annual required contribution comes from current operating revenue. The City has the ability to levy up to 1.75 mills for retirement costs (1.5387 mills after headlee).

Additional Actions That Could Be Implemented

Note: Actuarial assumption changes and issuance of debt instruments do not qualify as a new action.

1.	The last defined benefit plan for the City of Coldwater was closed 12 years ago. Because the plans are closed and all new hires since May, 2002 have been enrolled into a defined contribution plan there are limited additional actions that could be taken. One additional option would be to contribute an amount above the minimum required amount in the future.
2.	

UNFUNDED ACCRUED LIABILITY PLAN TEMPLATE INSTRUCTIONS

PREVIOUS ACTION TAKEN TO REDUCE UNFUNDED ACCRUED LIABILITIES

Note: This plan is in reference to the unfunded accrued liabilities, as of a local unit's most recent audited financial report, related to employees' pensions or other post-employment benefits.

Local units are not required to use this template. Local units may submit the required information in any format that they choose.

Required Information:

If previous actions were taken to lower unfunded accrued liabilities, the plan shall include:

1. A listing of all previous actions taken.
2. A detailed description of how previous actions will continue to be implemented and maintained.
3. A listing of additional actions that could be implemented to reduce unfunded accrued liabilities.

Instructions:

1. Enter your Local Unit Name and Local Unit Code at the top of the page.
2. Previous Actions Taken To Reduce Unfunded Accrued Liabilities: List all previous actions that have been taken to reduce the local unit's unfunded accrued liabilities.
 - a. Unfunded Accrued Liability Type: Describe the unfunded accrued liability the action is reducing (i.e. pensions, OPEB, etc...).
 - b. Previous Action Taken: Describe the previous action that has been taken to reduce the local unit's unfunded accrued liability.
3. How Will The Local Unit Continue To Implement And Maintain Previous Actions Taken: Describe how the local unit will continue to implement and maintain the previously listed actions.
4. Additional Actions That Could Be Implemented: List at least one additional action that could be implemented to reduce the local unit's unfunded accrued liabilities.
 - a. Actuarial assumption changes do not qualify as a new action.
 - b. Issuance of debt instruments do not qualify as a new action.