

BRIEF SUMMARY OF PLAN PROVISIONS

(Please refer to the Retiree Health Care Plan Document for a complete description)

EMPLOYEE GROUP	NORMAL/EARLY RETIREMENT ELIGIBILITY	BENEFIT PROVISIONS ^{§§}
GENERAL COUNTY Dispatchers Nurses Circuit Court G.E.L.C. Probate Court USWA Remaining General Groups	(b) or (f) or (g)	Health Including Rx: County pays retiree and spouse coverage depending on years of service at retirement [¶] .
	(b) [¶] or (f) [¶]	Dental/Vision: No
	(b) [¶] or (f) [¶]	Health Including Rx: Road Commission pays retiree and spouse coverage depending on years of service at retirement [¶] .
	(a) or (e)	Dental/Vision: Yes
ROAD COMMISSION	(f) or (h)	Health Including Rx: Sheriff's Department pays retiree and spouse coverage depending on years of service at retirement [¶] .
	(b) or (f) or (g)	Dental/Vision: No
	(b) [¶] or (f) [¶] or (g)	Health Including Rx: BABH pays retiree and spouse coverage depending on years of service at retirement [¶] . BABH provides for retirees with at least 20 years of service. Spousal coverage depends on the years of service at retirement [¶] .
SHERIFF'S DEPARTMENT Road Patrol Road Patrol Supervisory Unit Correction Facility Officers	(b) or (e)	Health Including Rx: MCF pays full cost of retiree and spouse coverage if retired before 1/15/2010. If retired after 1/15/2010 MCF pays a portion of the cost of retiree and spouse coverage [¶] .
	(a) or (e) or (h)	Dental/Vision: MCF pays full cost of retiree and spouse coverage if retired after 1/1/2001. If retired after 1/15/2010 MCF pays a portion of the cost of retiree and spouse coverage [¶] .
	Not eligible for health insurance	Health Including Rx: DWS pays retiree and spouse coverage depending on years of service at retirement [¶] .
MEDICAL CARE FACILITY Members Hired Before April 19, 2007 Members Hired After April 19, 2007 Members Hired After January 15, 2010	(b) or (f) of (h)	Dental/Vision: Hourly - Retirees can opt to pay for coverage. Salary-DWS pays retiree and spouse coverage depending on years of service at retirement [¶] .
	(b) ^{**} or (f) ^{**}	Health Including Rx: Library pays 50% of retiree premium if retired after age 60 but before age 65. If retired after age 65, Library pays 100% of premium. Retiree may purchase spousal and/or dependent coverage.
DWS		Health Including Rx: No
LIBRARY		Dental/Vision: No

(a) Age 55 with 8 yrs of service
 (b) Age 55 with 8/10 yrs of service
 (c) Age 55 with 25 yrs of service
 (d) Age 55 with 30 yrs of service
 (e) Age 60 with 8 yrs of service
 (f) Age 60 with 8/10 yrs of service
 (g) 25 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
 ! 10 years of service for members hired after 7/1/2008
 ** 10 years of service for members hired after 3/1/2008
 ¶ Please refer to respective collective bargaining agreements to find the eligibility schedules.
 & Life Insurance benefits are offered by this plan. The life insurance amounts vary by group.
 % Please refer to the collective bargaining agreement to find information regarding the application of an employee cost share for retirements after 1/15/10.
 § Please refer to respective collective bargaining agreements to find more information regarding benefit eligibility under other forms of retirement.

Bay County Voluntary Employees' Beneficiary Association (VEBA)

SUMMARY ANNUAL REPORT TO MEMBERS DECEMBER 31, 2009

Dear VEBA Plan Member:

The Voluntary Employees' Beneficiary Association, which is managed by the VEBA Board of Trustees, is designed to provide medical benefits to you, your spouse, and covered dependents once you retire, become disabled, or upon your death. *The County also supports a pension plan which is separate from the VEBA.*

The VEBA Board's fiduciary responsibility to you is to supervise the general administration of Bay County's Retiree Health Benefit Plan (Plan) and invest the Plan's assets. Our Board retains professional advisors to assist us in fulfilling these duties.

We have prepared this summary report to give you a brief review of the VEBA and how it operates. We hope you will find it useful and informative. However, a summary report cannot cover all the details of the VEBA, which is governed by the provisions of the Retiree Health Benefit Plan and the VEBA's Trust Document. Additional information about the VEBA including the Plan, Trust Document and the actuarial valuation is available in the Finance Office or can be accessed via the County's website.

Respectfully submitted,

Board of Trustees
Bay County VEBA

GABRIEL ROEDER SMITH & COMPANY
CONSULTANTS & ACTUARIES

SUMMARY RESULTS OF ACTUARIAL VALUATION

The VEBA's financial objective is to accumulate amounts to pay all or some of the benefits promised. This objective will only be met if the county contributes the amounts recommended by the actuary.

The Board of Trustees of the Bay County Voluntary Employees' Beneficiary Association provides for the payment of the employer contributions as described in the Bay County Board of Commissioners Resolution No. 2001-242.

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

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

Annual Required Contributions (ARC) for Fiscal Years Beginning January 1, 2010 And January 1, 2011

ARC For Fiscal Year*	General County			DWS	Library	BABB	BMCF	Sheriff's		Road Comm.
	County	DWS	Library					BABB	BMCF	
Jan. 1, 2010 - Dec. 31, 2010	\$3.07	\$0.48	\$0.15	\$0.35	\$3.50	\$0.82	\$1.97			
Jan. 1, 2011 - Dec. 31, 2011	3.19	0.50	0.16	0.36	3.48	0.85	2.05			
Funded Status	General County	DWS	Library	BABB	BMCF	Sheriff's Dept.	Road Comm.			
AAI#*	\$41.81	\$8.20	\$2.15	\$7.66	\$39.49	\$11.04	\$25.31			
Applied assets * (smoothed market value)	6.23	2.00	0.94	8.20	3.85	1.57	0.61			
Funded ratio	14.9%	24.4%	43.6%	107.1%	9.7%	14.2%	2.4%			

* Actuarial Acrued Liabilities
\$ millions

Actuary's Opinion

It is the actuary's opinion that the contribution amounts recommended in the most recent actuarial report are sufficient to meet the system's financial objective, assuming the employer contributes those amounts to the VEBA. Gabriel, Roeder, Smith & Company is not responsible for any contributions not made to the VEBA. The funding of the VEBA is the responsibility of the employers.

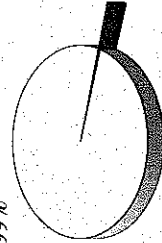
SUMMARY OF CURRENT ASSET INFORMATION

Revenues & Expenditures

	2009
Market Value - January 1	\$16,696,412
Revenues	
Member contributions	0
Employer contributions	1,983,976
Gross investment income (loss)	4,807,560
Other income	0
Total	6,791,536
Expenditures	
Health care benefits	0
Refund of member contributions	0
Investment expenses	0
Administrative expenses	89,639
Total	89,639
Market Value - December 31	\$23,398,309

Investments (Market Value)

Mutual Funds - 99%



Cash & Equivalents - 1%

The market rate of return on Plan assets net of expenses for the year ended December 31, 2009 was 27.25%.