

RESOLUTION

NO: [Title]

LIVINGSTON COUNTY

DATE: Click or tap to enter a date.

Resolution Authorizing an Additional Contribution to MERS in Fiscal Year 2020 - County Administration

WHEREAS, a fundamental objective of the Livingston County Board of Commissioners as an employer that offers pension benefits, is to fund the long term cost of the benefits promised to our employees: and

WHEREAS, eliminating or reducing long term liabilities by making additional payments to MERS is a priority as it affects both the financial health and sustainability of Livingston County; and

WHEREAS, there are several advantages to making additional payments to MERS including: 1) reducing our total unfunded pension liability 2) potential to reduce our future annual required contributions (ARC) and 3) additional assets to invest with the potential of a greater return than one would expect to earn in a traditional municipal operating investment; and

WHEREAS, MERS of Michigan allows employers making additional voluntary contributions to the Defined Benefit Plan to accelerate the funding by allocating the additional funds to a surplus division that is not associated with any particular employee group: and

WHEREAS, by allocating voluntary contributions in excess of the annual required contribution to a surplus division these funds will not be included in determining the annual Employer Contribution requirement for any employee group but will be included in determining the Employers overall funded status; and

WHEREAS, \$500,000 is included in the Benefit Fund 2020 budget and \$1 million is included in the General Fund Budget for an additional payment to MERS; and

WHEREAS, Building Inspection has sufficient fund balance to make an additional payment in the amount of \$28,457 to cover the total unfunded liability for the closed Building Inspection group.

THEREFORE BE IT RESOLVED that the Board of Commissioners hereby authorize an additional payment in the amount of \$1,528,457 be made to MERS prior to 2020 year-end, of which \$500,000 will be from F677 Benefit Fund and \$1 million will be from General Fund to fund the overall County pension liability and \$28,457 will be from F542 Building Inspection Fund to fully fund the closed Building Inspection Union group's liability.

BE IT FURTHER RESOLVED that the Board of Commissioners hereby authorize any budget amendment to effectuate the above.

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MOVED:

SECONDED:

CARRIED: