

RESOLUTION

NO: 2020-12-276

LIVINGSTON COUNTY

DATE: December 14, 2020

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**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:**