

RESOLUTION

NO: [Title]

LIVINGSTON COUNTY

DATE: Click or tap to enter a date.

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## Resolution Authorizing an Additional Contribution to MERS in Fiscal Year 2021 – 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,** currently there is \$500,000 included in the Benefit Fund 2021 budget and \$1.2 million included in the General Fund 2021 Operating Budget allocated for an additional payment to MERS and is sufficient to cover this additional payment of \$1.7 million.

**THEREFORE BE IT RESOLVED** that the Board of Commissioners hereby authorize an additional payment in the amount of \$1.7 million be made to MERS, of which \$500,000 will be from F677 Benefit Fund and \$1.2 million will be from Fund 101 General Fund to fund the overall County pension liability.

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**MOVED:**  
**SECONDED:**  
**CARRIED:**