

RESOLUTION

NO: 2021-04-043

LIVINGSTON COUNTY

DATE: April 13, 2021

Resolution to Authorize the Creation of New Non-Union Division within MERS and Payment of the Unfunded Liability For LETS Department Employees - Fiscal Services

- WHEREAS,** County Administration has worked with the LETS Department, with guidance from our auditors, to consider options to reduce the unfunded pension liability specific to the LETS Department employees; and
- WHEREAS,** the option to create a permanent non-union division within MERS for LETS Department employees was agreed upon as being fiscally prudent and to be recommended to the Board of Commissioners; and
- WHEREAS,** creating a new division would permit the LETS Department to fully fund the projected non-union liability attributed to the LETS Department non-union employees which is projected to reduce the annual required contribution going forward; and
- WHEREAS,** Livingston County requested and received a supplemental valuation from the MERS actuarial services team to carve out the LETS Department from the Non-Union Division and create a new Non-Union Division specifically for and limited to LETS Department current and future employees as well as retirees; and
- WHEREAS,** the pension benefits would not change in any way from those in the original Non-Union Division and the LETS Department employees would be carved out into the same plan, DB or Hybrid, that they currently are in; and
- WHEREAS,** the estimated cost for the LETS Department to proceed with this option is \$1,556,364 which will be funded by FY 2020 CARES Act Section 5307 Operating funds at 100% Federal share and would not require any General Fund dollars to be contributed.
- WHEREAS,** the CARES Act legislation's intent is to support transit systems and their employees by ensuring current obligations are met, followed by actions that improve long-term financial sustainability; and
- WHEREAS,** the payment is an eligible operating expense under the Section 5307 program rules per FTA Circular 9030.1 E and additional written guidance provided by FTA.

THEREFORE BE IT RESOLVED that the Livingston County Board of Commissioners authorizes the County to carve out the LETS Department Non-Union Employees from the original Non-Union Division and creating a new MERS Division for LETS Department Non-Union employees.

BE IT FURTHER RESOLVED that the Board of Commissioners authorizes a payment to MERS from LETS Fund 588 in the amount of \$1,556,364 to the new LETS Department Non-Union division, once it is created, to fund the pension liability for the LETS Department employees.

BE IT FURTHER RESOLVED that the Chairperson of the Livingston County Board of Commissioners is authorized to execute any agreements, plan addendums, or other documents requiring his signature by MERS, to effectuate this Resolution after approval as to form by the County Attorney.

BE IT FURTHER RESOLVED that the Board of Commissioners authorizes any budget amendments needed to effectuate this payment.

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MOVED:
SECONDED:
CARRIED: