

RESOLUTION

NO: 2021-12-207

LIVINGSTON COUNTY

DATE: December 22, 2021

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, after reviewing and amending the department budgets in the Q4 Budget Amendment, based on projected revised budgets in the General Fund and the Benefit Fund there are sufficient funds to recommend making an additional payment to MERS for \$1 million.

THEREFORE BE IT RESOLVED that the Board of Commissioners hereby authorize an additional payment of \$1 million be made to MERS before the end of the 2021 Fiscal Year, of which \$400,000 will be from F677 Benefit Fund and \$600,000 will be from Fund 101 General Fund, to increase funding of the overall County pension liability.

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MOVED:

SECONDED:

CARRIED: