

RESOLUTION

NO: [Title]

LIVINGSTON COUNTY

DATE: Click or tap to enter a date.

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## Resolution Authorizing Additional Contributions for Several Employee Divisions to MERS in Fiscal Year 2022 – Fiscal Services

**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 the funding levels of the union employee groups it is also recommended that additional payments be made for and applied to several of the union employee groups including Ambulance, Building Inspection and Dispatchers, that have sufficient funds in their current budget or reserves to fully fund the pension liability for those groups without creating a hardship; and

**WHEREAS,** after reviewing the overall budgets in the General Fund and in the Benefit Fund there are sufficient funds to recommend making an additional payment to MERS for \$1 million to be directed to the surplus division.

**THEREFORE, BE IT RESOLVED** that the Board of Commissioners hereby authorize an additional payment of \$1 million be made to MERS Surplus Division in November of 2022, of which \$750,000 will be from F677 Benefit Fund and \$250,000 will be from Fund 101 General Fund, to increase funding of the overall County pension liability.

**BE FURTHER RESOLVED** that the Board of Commissioners authorizes the additional payments below be made in November 2022 and applied to the following union divisions to fund the pension liability specific to that division, as follows:

11 - Ambulance Division	\$159,681 from Fund 210
12 - Building Inspection Division	\$ 9,540 from Fund 549
13 – 911 Dispatch Division	\$ 44,565 from Fund 261

**BE FURTHER RESOLVED** that the Board of Commissioners authorizes any budget amendments needed to effectuate the payments to MERS as reflected above.

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