

RESOLUTION

NO: 2023-04-067

LIVINGSTON COUNTY

DATE: April 24, 2023

Resolution Authorizing an Additional Contribution to MERS in Fiscal Year 2023 - 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 employee group; and

WHEREAS, by allocating voluntary contributions more than 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 2023 Benefit Fund budget and \$2,658,000 million that has accumulated over the last few years in the General Fund, from one-time programs that allowed for specific general fund payroll expenses to be charged to Federal grants, that can be dedicated to paying down the unfunded pension liability.

THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby authorizes an additional payment in the amount of \$3,158,000 be made to MERS to the County's Surplus Division, of which \$500,000 will be from budgeted funds in F677-Benefit Fund and \$2,658,000 will be from Fund Balance from F101- General Fund, to increase the funding of the overall County pension liability.

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:**