

PLYMOUTH DISTRICT LIBRARY

Personnel Committee Meeting

Online via Zoom:

<https://us02web.zoom.us/j/84768000868?pwd=L2xyeW5sN0FwSElOOXZrS1VZRzBiUT09>

Monday, January 10 at 5:30pm

AGENDA

1. Call to order and attendance
2. Approve agenda
3. Approve minutes of December meeting (attached)
4. Public comment
5. Old Business
 - 5.1 Retirement Plan Proposal
6. Adjourn

Next Meeting: TBD

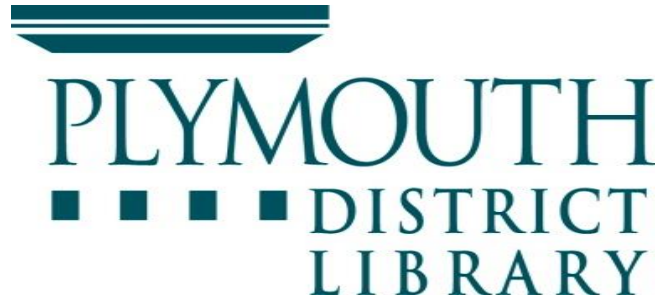
PERSONNEL COMMITTEE MEETING

Plymouth District Library | December 7, 2021

Present: Trustees Pappas, Anderson, Walsh (via conference call), Director Anderson, and staff member Seals

The meeting was called to order at 7:00pm by Anderson.

1. Agenda: Approved by consensus.
2. Minutes: None
3. Old Business: None
4. New Business:
 - a. Retirement Plan Proposal: Discussed options for moving forward after the closing of our MERS pension program. Trustee Anderson asked for a matrix explaining all of our options to help the board make a more informed decision. Trustee Pappas suggested that we look at hiring a consultant to help make recommendations. Director Anderson will schedule another meeting of the personnel committee before the January board meeting to review options again with more information.
 - b. Renewal of Employee Dental Insurance: Trustee Anderson asked Director Anderson to review whether the dental insurance payments contribute toward our maximum under state law. Director Anderson will review and pass along the recommendation at the December board meeting.
 - c. Renewal of Emergency Leave: Trustees agreed to suggest the renewal of emergency leave at two weeks for full-time and pro-rated for part-time to the full board at the December board meeting.
 - d. Employee Job Classification: Trustees agreed with the list as stated.
 - e. Comp Time Discussion: Trustees supported amendments to the library's comp time policy. Based on discussion, Director Anderson suggested quarterly expiration dates for comp time for all library staff and to remove the option for payouts when a staff member leaves the library.
 - f. Personnel Handbook Updates: Director Anderson reviewed the proposed changes made to the Personnel Handbook and the committee agreed with the edits.
5. The meeting was adjourned at 8pm.



TO: Library Board Personnel Committee
RE: Retirement Plan Proposal

DATE: January 7, 2022
FROM: Shauna Anderson, Director

The library needs to approve a retirement plan to support new hires after the closure of our pension program. Of the options listed below, I propose offering a 457 program through our current provider, Nationwide, with a maximum 10% matching contribution for full-time staff going forward, with the ability for recent hires to migrate from the MERS program to the 457. I have also listed a matrix of current local library retirement offerings.

	Pros	Cons
457 plan	<ul style="list-style-type: none"> • Most flexibility for employees • Able to take out loan in emergency situations • Pre & post-tax options 	<ul style="list-style-type: none"> • No vesting options available • Annual contributions max out around \$20,000
401(a) Defined Contribution plan	<ul style="list-style-type: none"> • Includes vesting options • Suggested as a place for employer contributions to encourage longevity • Works alongside the current 457 plan 	
Nationwide	<ul style="list-style-type: none"> • Best short-term performance • Established relationship as our current 457 provider 	<ul style="list-style-type: none"> • Higher fees result in lower overall income in retirement
MERS	<ul style="list-style-type: none"> • Comparable performance over 5 years • Very low fees • Built for public employers 	<ul style="list-style-type: none"> • Would require migration of our current plan or operating two concurrent plans

Library	Model	Contribution %
Ypsilanti	MERS 401(a) Defined Contribution + 457	5% contributed to DC after one year, 457 voluntary
Saline	MERS 401(a) Defined Contribution (moved from Nationwide)	Requires 5% matching to DC, 457 voluntary
Cromaine	457	10% contribution, no matching required, immediately vested
Dexter	457	5% matching
Salem-South Lyon	457	6.5% matching
Belleville	457	10% contribution, 5% employee requirement
Canton	Nationwide 401(a) Defined Contribution + 457	Up to 5% matching, employer funds go to 401(a) with graded vesting, 457 employee funds with immediate vesting

For the four recent new hires, a 10% match on 457 contributions would cost the library less than \$25,000 annually. We currently contribute 24.21% of our full-time wages to the library's MERS account which costs the library over \$200,000 annually. We will need to contribute more to make up for our underfunded liability. I have budgeted \$300,000 for retirement in 2022.