

VEBA COMMITTEE MEETING

Plymouth District Library | February 3, 2025

1. Call to order & attendance:
 - a. The meeting was called to order at 5:30pm by Director Anderson.
 - b. Present: Trustee Sexton, Trustee Khogali, Director Anderson, staff member McCardell, and Allerus Representative Shields (via Zoom)
 - c. Virtual: None
2. Agenda
 - a. Motioned by Trustee Sexton and seconded by staff member McCardell to approve the agenda—PASSED
3. November Meeting Minutes
 - a. Motioned by Trustee Sexton and seconded by staff member McCardell to approve the November Meeting Minutes—PASSED
4. Public Comment
 - a. None
5. Old Business:
 - a. Financial Update from Allerus: Changes were recommended to the account to rebalance to a more favorable stock/bond ratio and lock in bond rates to prepare for expected market volatility. Motioned by Trustee Khogali and seconded by Trustee Sexton to rebalance the account accordingly—PASSED
6. New Business:
 - a. None
7. Motioned by Trustee Khogali and seconded by Trustee Sexton to adjourn the meeting at 5:52pm—PASSED

5.1



TO: PDL VEBA Committee

DATE: February 5, 2025

RE: Account Update from Allerus

FROM: Shauna Anderson,
Director

Allerus Account Representative, Stanton Shields, will be presenting remotely on the current status of our VEBA account. I will also plan to review the VEBA Actuarial Report that was supplied at the April board meeting.



TO: PDL VEBA Committee

DATE: February 5, 2025

RE: Plan Closure for Non-Vested
Employees, Discussion

FROM: Shauna Anderson,
Director

Attached is the drafted amendment to close the VEBA retiree medical plan for all non-vested employees. For some time, we have known that the VEBA plan was not financially sustainable. We made amendments over the years to support the longevity of the plan for current participants, but we know that the compounding liability of future hires has the ability to jeopardize benefits long term.

We feel that we have made enough updates to the administration of VEBA benefits to safeguard both employee medical insurance rates and the financial sustainability of the plan. This would be our final adjustment to the plan, to close the plan for anyone who has less than 10 years of service as of July 1, 2025. This will allow long-term employees who have been planning on VEBA benefits for their own retirement to maintain access to benefits, while also giving current employees with less longevity enough time to prepare for retirement using other means.

**FIRST AMENDMENT TO THE
PLYMOUTH DISTRICT LIBRARY
RETIREE MEDICAL PLAN**

The Plymouth District Library Retiree Medical Plan (the "Plan") is hereby amended effective July 1, 2025 by replacing Section 1.4 in its entirety with the following:

1.4 **"Retiree"** means a former Employee of the Library if, on the date such Employee terminates employment with the Library, he or she (a) has attained age 55; and (b) completed at least 10 years of Credited Service with the Library before July 1, 2025. Notwithstanding anything in the Plan document to the contrary, an individual who has not completed at least 10 years of Credited Service with the Library before July 1, 2025 shall not be considered a Retiree for purposes of this Plan and shall not become eligible to participate in the Plan.

PLYMOUTH DISTRICT LIBRARY

Dated: _____, 2025

By: _____

Its: _____

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21824:00001:6473318-2

[Library Letterhead]

Dear Library Employees,

Plymouth District Library (the “Library”) sponsors the Plymouth District Library Retiree Medical Plan (“Plan”), which offers health insurance and premium reimbursement benefits to eligible retirees and their spouses. Eligibility under the Plan currently requires that an employee retire from the Library on or after age 55 with at least 10 years of Credited Service.

The Library has made the decision to amend the Plan to **close eligibility to employees who are not currently vested in the program**. Effective July 1, 2025, only employees who have completed at least 10 years of credited service with the Library before that date will remain eligible to participate in the Plan upon retirement. Employees who have not completed 10 years of credited service with the Library before July 1, 2025 will no longer be eligible to participate in the Plan after they retire, even if they later meet the age and service requirements.

This change does not affect employees who (1) are already retired, or (2) have already completed 10 years of service.

We recognize the importance of retiree benefits and this decision was made carefully to ensure the Library’s long-term financial sustainability while continuing to honor commitments to vested employees.

If you have questions about your credited service, eligibility status, or how this change may affect you, please contact [insert HR contact name and contact information].

Thank you for your dedication and service to the Library.