

# Employees' Retirement Plan Annual Report 2009

**KDL**  
Kent District Library  
[www.kdl.org](http://www.kdl.org)

**Dear Reader:**

Kent District Library maintains a defined benefit pension plan known collectively as the Kent District Library Employees' Retirement Plan. Each year, this plan undergoes review as the Board of Trustees, fund managers, and consultants monitor its performance to ensure future expenses can be met through contributions and investments. This summary is made available to the membership as an annual report on the health of the plan. This report, along with minutes from our Pension Board meetings, are posted on our website at **<http://www.kdl.org/about/go/pension>**. By visiting the site, retirees and employees can stay informed regarding the status of the plan. Should you have any questions, feel free to e-mail me directly at **[bmortimore@kdl.org](mailto:bmortimore@kdl.org)**.

Best Regards,

Brian L. Mortimore, SPHR  
KDL HR Director and Pension Plan Administrator

## Member Trustee Changes

This past year saw a change to the list of Plan Trustees. Trustee Sandra Wisniewski completed six years as a Plan Trustee and departed the Pension Board upon ending her term on the Kent District Library Board of Trustees. We express our gratitude to Sandra for her service and dedication to both KDL and the KDL Employees' Retirement System. The KDL Board appointed Trustee Carol Simpson to fill her vacancy on the Pension Board. Carol maintains one of two seats held by KDL Board members, the other is currently held by Chairman Charles Myers.

In 2007, plan participants elected General Accountant Sharon Harrington and Adult Librarian Anthony Senna to serve as Trustees on the Pension Board. Their term runs through 2010.

One member of the public is also appointed to the Pension Board. This role is fulfilled by retired City of Grand Rapids Pension Plan Administrator, Henry T. Vry.

Non-voting members of the Board include, by position: Library Director, Martha Smart and Human Resources Director and Pension Plan Administrator, Brian Mortimore.

The Trustees convene a minimum of once per quarter to review investment performance, plan expenses, and to make decisions which support the plan's goal of providing retirement benefits for the retirees of Kent District Library.



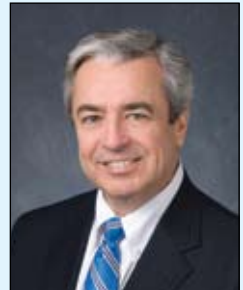
General Accountant  
Sharon Harrington



Adult Librarian  
Anthony Senna



Trustee  
Carol Simpson



Chairman  
Charles Myers



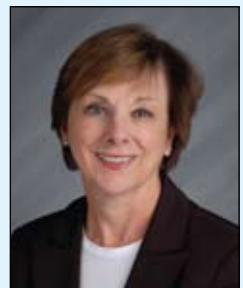
Trustee  
Henry T. Vry



Pension Plan Administrator  
Brian Mortimore



The KDL Pension Board reviewing the results from the annual plan audit.



Library Director  
Martha Smart

## **A Note from the Pension Trustees**

As Trustees of the Kent District Library Employees' Retirement System, we are proud to serve the members of the Retirement Plan. The Plan was established when KDL became a district library independent of the County, and this Board was created to provide administrative oversight of the Plan.

The Board is composed of both appointed and elected members. Each trustee participates in ongoing educational and instructional sessions to stay current with the many legal requirements of institutional investing, and to ensure the Plan's objectives are met.

We realize the popular press regularly shares stories of troubled organizations that have not fully funded their pension plans. As our audit and actuarial reports show, KDL's Plan is fully funded to meet the benefit needs of current and future retirees.

Our Board meetings primarily focus on dialogue and planning to ensure that our investment strategy will reach its goals. To assist us in our decision making process, we receive advice and guidance from professional consultants. Our meetings are open to all, so we would like to take this opportunity to invite each of you to attend.

We believe your pension benefit is the most important long term benefit of your employment. We want you to understand your options and have the best retirement possible, so please always feel free to ask us any questions you may have.

**Warmest Regards,  
The Trustees of the KDL Employees' Retirement System**



## **Summary Report of Plan Operations and Expenses**

The accounting firm of Hungerford, Aldrin, Nichols and Carter, PC completed its audit of KDL's pension plan in Spring 2009. Management believes, and actuarial studies concur, that the plan is in a solid financial position to meet its future obligations.

Revenue sources include employer contributions, member contributions, and earnings on investments. Contributions and investment income for the fiscal year ended December 31, 2008 totaled a reduction of \$3,713,601.

The primary expenses of the plan include the payment of pension benefits to members and beneficiaries, refunds of contributions, and plan administration. Total deductions, including investment management fees, for the fiscal year ended December 31, 2008 were \$510,871; of this, payments for retirement benefits were \$358,231, an increase of \$64,231 from 2007. As of January 1, 2009, KDL had forty-six (46) retirees and twenty-two (22) deferred retirees. Meanwhile, there were 261 active members (i.e., those who are enrolled in the plan, actively working at KDL, and not yet receiving retirement benefits).

The net assets as of January 1, 2009 were \$24,439,887. When considered against the plan's actuarial valuation and future needs, it was recognized by the auditors that the plan is funded at a 107% funding ratio meaning it has 7% more assets than liabilities. The plan continues to be in good financial condition in accordance with its objectives.

## Staying Connected

Whether you are an active employee, a deferred retiree, or an active retiree, please inform the KDL Human Resources Department of changes to beneficiaries or general contact information. KDL remains reachable at:

### **KDL**

Attn: Pension Plan Administrator  
814 W. River Center NE  
Comstock Park, MI 49321  
Ph: 616-647-4148  
Fax: 616-647-9936



## A Note for Active Employee Members

We would like to take this opportunity to remind the active employee members of an important responsibility upon termination of your employment with KDL. If you should leave prior to being eligible for retirement, but are in fact vested in the Plan, you will be placed on deferred status (meaning your pension benefit will be deferred until you are eligible at age 60 and complete the application for retirement benefits.) If you are in deferred status and approaching the age for normal retirement (i.e., 60), you must complete and submit an application for retirement benefits to the KDL Human Resources Department at least 30 days prior to your 60th birthday. Note that you can begin to collect your KDL pension at age 60 even if you are working elsewhere. Failure to apply will result in the loss of benefits for each month that passes without the ability to receive retroactive payments. It is important to note that your pension benefit does not grow when you are in deferred status like it does under social security. Further, failure to apply by the age of 64 would result in the complete loss of your monthly pension benefit with only the lump sum return of your untaxed pension contributions (i.e., the total amount you contributed to the pension fund plus a set rate of interest); this is only true, however, for those in deferred status.

Employees interested in reviewing the minutes from the Pension Board meetings are welcome to click on [www.kdl.org/about/go/pension](http://www.kdl.org/about/go/pension) or to access these through the HR website.

7330BLTKDL