

Employees' Retirement Plan Annual Report 2011

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**.

Best Regards,



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

Trustees

Trustees representing the Kent District Library (KDL) workforce, and as elected by their peers, include (Circulation Assistant) Toni Harrington and (General Ledger Accountant) Sharon Harrington. Trustees appointed by the KDL Board of Trustees include Scott E. Peterson, and Chairman, Charles Myers.

One member of the public is also appointed to the Pension Board. This role is currently filled by retired City of Grand Rapids Pension Plan Administrator Henry T. Vry. Non-voting members by position include: Library Director Lance Werner and Human Resources Director/Pension Plan Administrator, Brian L. 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. Trustees also meet throughout the year for various educational and professional development opportunities.



Circulation Assistant
Antoinette Harrington



General Ledger Accountant
Sharon Harrington



Trustee
Scott E. Peterson



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
Lance Werner

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 feel free to ask us any questions you may have.

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



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 the spring of 2011. 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, 2010 totaled \$4,840,060.

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, 2010 were \$919,919; of this, payments for retirement benefits were \$791,970, an increase of \$334,567 from 2009. As of January 1, 2011, KDL had seventy-nine (79) retirees and twenty-two (22) deferred retirees. Meanwhile, there were 228 active members (i.e., those who are enrolled in the plan, actively working at KDL, and not yet receiving retirement benefits). Approximately 10% of active members are eligible to retire immediately.

The net assets as of December 31, 2010 were \$33,787,791. When considered against the plan's actuarial valuation and future needs, it was recognized by the auditors that the plan is funded at a 106% funding ratio meaning it has 6% more assets than liabilities. The plan continues to be in good financial condition in accordance with its objectives, largely attributable to the efforts of our Trustees coupled with changes made to actuarial assumptions and benefits that were instituted in 2010.

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: 616-647-3818



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 62 and complete the application for retirement benefits). If you are in deferred status and approaching the age for normal retirement (i.e., 62), you must complete and submit an application for retirement benefits to the KDL Human Resources Department at least 30 days prior to your 62nd birthday. Note that you can begin to collect your KDL pension at age 62 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.

Employees interested in reviewing the minutes from the Pension Board meetings are welcome to visit the Pension Board page on the KDL website at www.kdl.org/about/go/pension.

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