



Loutit District Library

Expanding Horizons, Enriching Minds

PERSONNEL COMMITTEE MEETING

MINUTES

January 2, 2020

Present: Bulthouse (Chair), Osmun (via phone), Rusco, and Martin

Also present: Derdowski, Moore

Absent: Menerick

Bulthouse called the meeting to order at 4:05pm in the Administrative Conference Room.

1. Minutes from the November 19, 2019 meeting were approved as written.
2. Maintenance Technician position – Shawn Wolfe was hired as a 20-hour per week contract employee in October at an hourly rate of \$20 per hour. He has been an exceptional worker and the library is looking to hire him on as a 20-hour per week part-time employee.

The current salary range for this position tops out at \$17.71 per hour. Staff has proposed increasing the starting salary range to \$18.50 which would increase to \$21.74 after three years. Osmun reported that \$18.50 is in the current market range for this type of position in West Michigan.

Motion by Rusco, second by Osmun, to recommend to the Board increasing the wage scale for this position, advertising the position in mid-January, and forwarding the recommendation to the Finance Committee for discussion at their January 7, 2020 meeting. Motion carried.

3. Business Manager Position – Martin proposed a change in title for this position to Finance and Human Resources Director and increasing the salary from \$55,336 annually to \$62,000. Discussion of salary adjustments for additional staff members as their duties have also increased. Osmun suggested staff prepare a summary of proposed salary adjustments for the Board and to present the proposal to the Finance Committee for their consideration on January 7.

Motion by Osmun, second by Rusco, to rename the Business Manager position to Finance and Human Resources Director and adjust annual salary to \$62,000 and to forward this recommendation to the Finance Committee for their January 7, 2020 meeting. Additional position salary adjustments to be discussed at the next Personnel Committee meeting. Motion carried.

4. Review of Staff Job Descriptions – As part of the implementation of the new strategic plan, all job descriptions and duties are being examined. Job descriptions will be brought forward to the Personnel Committee until all positions have been revised.

Today's reviews included full-time Librarian (Reference and information), and the following part-time positions: Library Assistant II (Reference and Information), Library Aide II (Reference and

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Information), Library Assistant II (Local History), Library Assistant III (Local History), Library Assistant I (Circulation), and Library Assistant I (Cataloging).

Motion by Rusco, second by Osmun, to recommend to the library board, adoption of the revised job descriptions. Motion carried.

5. Annual Sick Payout – 457 Contribution -- Derdowski discussed the annual payout of accrued earned sick time to employees. In January of each year employees who have maxed out their accumulated sick time banks are compensated for the excess time. The payouts can be paid in cash or applied to their 457 retirement fund. According the 457 Plan Document, the library elected to include sick pay as eligible compensation for employee contributions and thus these contributions are subject to a 2% library match. In January 2019, the employee sick pay contributions were matched correctly. Prior to January 2019, this match was never done. A correction to the 457 employer match contributions is necessary for sick pay contributions made prior to January 2019. The LDL Personnel Policies & Procedures Manual states that “Any retiree deposit to his/her Deferred Compensation Plan (457) will not be subject to a 2% match by the Library.” This statement is not in agreement with the plan document. The choice is to match all sick pay contributions (as the 457 plan is currently set up and modify the Personnel Manual to agree) OR match none of the sick pay contributions (which would require a board approved plan amendment).

Motion by Rusco, second by Osmun, to forward this issue to the Finance Committee for consideration at their January 7, 2020 meeting and to recommend amending the library’s 457 MERS plan to state that accumulated sick time payouts are not subject to the 2% match.

6. Employee de minimis fringe benefit – The library’s auditor and attorney were asked for their opinion on whether or not the library could invest small amounts of money to reward employees for outstanding service, great ideas, initiative, helpfulness, etc. As we received conflicting statements from each, Martin will share the auditor’s opinion with the attorney. Here is the attorney’s opinion:

“As long as it is current staff and not a retirement gift, we have no problem if they do it as a discretionary bonus with de minimis value. It must be discretionary because bonuses based on policy or formula must be added to wages for calculation of overtime. To avoid IRS tax problem, it must meet the de minimis benefit standard under IRC Sec. 132(a)(4). The term “de minimis fringe” means any property or service the value of which is (after taking into account the frequency with which similar fringes are provided by the employer to the employer’s employees) so small as to make accounting for it unreasonable or administratively impracticable. In this situation, we believe both are met – but keep the gifts small. Thanks!”

And here is the auditor’s opinion:

“State law does not allow any gifts to employees – I attached an excerpt from appendix H of the Michigan audit and accounting manual for reference.

We know this happens often and we suggest including a deminimus (sp.) benefits policy in your personnel manual to at least have a leg to stand on if ever questioned about it. We may have suggested this policy to the library staff the first year we did the audit – not sure.”

After discussion it was determined that small, insignificant gifts to staff are acceptable as long as the gift is not cash or a gift card that could be redeemed for cash and does not exceed \$25. It was recommended to forward this to the Policy Committee for consideration at their January 14, 2020 meeting.

Next meeting: Thursday, January 28 at 4:30pm in the Admin Conference Room.

Meeting adjourned – 5:28pm

Respectfully submitted,

John Martin, Library Director