Smart Start of Forsyth County HR Committee Minutes Thursday, January 12, 2023, 12:00 p.m. – 12:30 p.m.

Via ZOOM URL: https://us02web.zoom.us/j/86909454150

**Members Present**, (Human Resources Committee Chair) **Linda Jackson Barnes** (Board Secretary) Dr. **Sabrina Hinton**, (Vice Board Chair) **Tembila Covington,** (Board Chair) **Reginald McCaskill**

**Members Absent:,** (Committee Member) **Tonya McDaniel,** (Committee Member) Theresa Stephens, **(**Committee Member) **Dorothy Pearce Brady (Monique)**

**Staff Present:** (CEO of Smart Start of Forsyth County) Louis Finney Jr., (Program Administrative Assistant) Tim Campbell, (Human Resources Generalist) Malcolm Winston

# (Human Resources Committee Chair) Linda Jackson Barnes called the meeting to order at 12:08 pm.

**Review and adopt the agenda.**

A motion was made to review and adopt the agenda by Dr. Sabrina Hinton. The motion to review and adopt the agenda was seconded by Reginald McCaskill. All members present voted unanimously to adopt the agenda. Motion carries.

# Intro of Visitors and opportunity for the public: Public Visitors: Don Curtis, consultant with Principal Financial Group

**Public Comment: No Public Comment**

**Review and adopt the minutes.**

A motion was made to review and adopt the minutes by (Board Secretary) Dr. Sabrina Hinton. The motion to review and adopt the minutes was seconded by (Vice Board Chair) Tembila Covington. All members present voted unanimously to adopt the minutes. Motion carries.

**Committee Approval/Receipt:**

* **For Consent:**

1. Proposed 457B (f) SERP Plan – *attached.*

# For Action, Discussion & Engagement:

# Dr. Finney began the meeting by sharing the current retirement benefit that all employees receive. All employees receive 6% of their salary in a simple IRA. The proposed 457B (f) SERP plan would be an additional retirement benefit over and above the IRA contributions. Since Smart Start of Forsyth County has state rules regarding what it can pay to its employees, a SERP plan allows us to provide an additional benefit that can keep total compensation competitive for the high-level executive positions that are critical to the organization and help ensure the retention of those employees.

# He then turned his time over to Don Curtis, who works as a consultant in the space of retirement benefits specifically for employers in the nonprofit arena. He clarified some details about SERP plans, including the fact that the money received by the employees will vest two or three years after the organization makes the contribution, at which point the contribution would be taxed. Dr. Finney mentioned that he had spoken with our current benefits provider, and informed that they did not have the expertise to offer such a plan. He also spoke with Morgan Stanley, who did not have such expertise either, referring Dr. Finney to Principal, the company whose proposal we were considering.

# Don mentioned that Principal had between 15-18 clients who sponsored SERP plans in North Carolina, and that such plans were the fastest-growing segment of their nonprofit business due to the ongoing challenges that nonprofits across the board have with retaining top talent. Dr. Finney mentioned that in the Finance Committee meeting, that committee had identified that we were reverting, on average, much more than the $36,000 that would be needed to fund this program. Upon being asked what could be done if the agency experienced a downturn in funding, Don mentioned that the plan is written such that the agency could discontinue our contributions to the plan at any time. He also went into detail about rabbi trusts, which would protect the contributions to the participants in the program in the event that the agency was to go bankrupt and become insolvent.

# Reginald McCaskill made a motion to approve the SERP benefit as presented. The motion was seconded by Tembila Covington. All members present voted unanimously for the motion.

# Adjourn

The meeting adjourned at 12:34 p.m.