

AGENDA

Henika District Library
Finance Committee Meeting
September 23rd 2024 at 4:15pm

I. Call to Order

Members Present:
Members Absent:
Staff Present:
Guests:

II. Approval of Agenda

III. Approval of Previous Meeting Minutes

IV. Unfinished Business

- A. Explore Funding Options for Building Project
 - a. Grants
 - b. USDA Loan
 - c. Millage
 - d. Fundraising Campaign (Large Donors)

V. New Business

- A. New Min Wage/Sick Leave
 - a. PTO Policy

VI. Around the table

VII. Adjournment

Henika District Library
Meeting Minutes

Henika District Library
Finance Committee Meeting
July 31, 2024 at 1:00 pm

Members Present: Jacqui Kuhn, Maria Musgrave, Danielle Simmons, Meghan Augustin (ex officio)

Members Absent: None

Staff Present: Cierra Bakovka – Director

Guests: None

- I. Call to Order: Meeting called to order at 1:05 pm by Simmons.
- II. Approval of Agenda motioned by Augustin and seconded by Kuhn. All yes, motion passed.
- III. Approval of July 17, 2024 Finance Committee Meeting Minutes motioned by Augustin and seconded by Simmons. All yes, motion passed.
- IV. Unfinished Business
 - a. Explore Funding Options for Building Project
 - i. Grants
 1. Kuhn was not able to find any additional opportunities for grants as a potential funding source since the last meeting.
 2. Bakovka heard there may be another round of Labor and Economic Development grants and asked Kuhn to investigate this.
 - ii. USDA Loan
 1. The pre-application is still in process.
 - iii. Millage
 1. Musgrave gave an update on millage as a potential funding source.
 - a. A packet was provided to each committee member with information on millages, information on municipal financial advisory services, and estimated millage impact. Discussion ensued.
 - b. Bakovka to email Mike at Triangle about communication issues Musgrave is having when reaching out to Bethany. Augustin requested a touch base with Mike.
 - iv. Fundraising Campaign (Large Donors)

1. Bakovka sent emails to the committee with links to books on fundraising and available trainings.
 2. The group discussed the possibility of reaching out to donors who have made significant contributions in the past.
 3. Musgrave suggested checking with area funeral homes to inquire about getting Henika on the memorial donation list.
 4. Musgrave to check with Hardings about their round-up donation program.
- b. Review 2025 Budget Draft
 - i. Bakovka provided the draft budget for fiscal year 2025.
 - ii. The committee reviewed the draft budget. No changes needed prior to presentation to the board.
- V. New Business
- a. Review 2024 Budget Amendment #3 Draft
 - i. Bakovka presented a draft budget amendment for the current fiscal year.
 - ii. The committee reviewed the draft budget amendment. No changes needed prior to presentation to the board.
- VI. Around the Table
- a. Kuhn had nothing to add.
 - b. Augustin reminded the group that we may need to amp it up to stay on track.
 - c. Musgrave doesn't want to lose momentum.
 - d. Bakovka is appreciative of the work Musgrave did on millages and is looking forward to figuring funding out.
 - e. Simmons would like to have a touch base after the August 13 board meeting to look at setting the next Finance Committee meeting.
- VII. Adjournment of the meeting motioned by Simmons and seconded by Augustin. Meeting adjourned at 2:41 pm.

PERSONNEL POLICIES

PERSONNEL POLICY

PAID TIME OFF (PTO)

PTO will be given to *all employees working an average of 20 hours or more per week who have completed a 90 day probationary period beginning with the first official day of employment. This amount will be prorated based upon the first official day of employment for the first year. PTO for following years will be given at the start of each new fiscal year. The number of hours granted for each “week” of PTO will be the same as the average number of hours said employee works per week.

Supervisory Employees (working an average of 28 hours or more per week) will receive:

- Five weeks annually for the first four years of service.
- Six weeks annually for the fifth, sixth, seventh, eighth, and ninth year of service.
- Seven weeks annually from the tenth year on.

Part-Time Employees (working an average of 20 to 27 hours per week) will receive:

- Three weeks annually for the first four years of service.
- Four weeks annually for the fifth, sixth, seventh, eighth, and ninth year of service.
- Five weeks annually from the tenth year on.

At least two weeks of PTO must be used each calendar year. Additional unused PTO will be rolled over to the following year. PTO may accumulate up to 12 weeks. When employment is terminated by the library or the employee, the employee will not be compensated for the balance of their accumulated PTO.

Employees using PTO must give notice to the Director and gain approval ahead of time. All PTO usage must be noted on the timesheet for that pay period. The President and Vice President of the Library Board will have check-ins with the Director regarding the Director’s PTO usage.

*Employees hired prior to the update of this policy (7/11/2023) will be grandfathered in under the prior PTO amounts (see below):

...The number of hours granted for each “week” of PTO will be the same as the average number of hours said employee works per week.

Five weeks annually for the first four years of service.

Six weeks annually for the fifth, sixth, seventh, eighth, and ninth year of service.

Seven weeks annually from the tenth year on.

PAID HOLIDAYS

Full time staff will be paid for an 8 hour workday when the library is closed to observe a holiday as listed in the Holidays Policy. Part time library staff will be paid for their regularly scheduled hours.

Understanding the Changes to Michigan's Paid Leave and Minimum Wage Laws



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Current Michigan Sick Leave Law

- Paid Medical Leave Act (PMLA)

<https://www.legislature.mi.gov/documents/2017-2018/publicact/htm/2018-PA-0369.htm>

- Covers employers that employ 50 or more individuals.
- Employees must accrue at least one hour of paid leave for every 35 hours of work, up to 40 hours annually.
 - Employees may roll over up to 40 hours of accrued, unused paid leave.
 - But if the employer front-loads at least 40 hours of paid leave, rollover is not required.
- Individuals exempt from overtime requirements under the FLSA are not entitled to sick leave under the PMLA.

Michigan Sick Leave Law Changing February 21, 2025

- Earned Sick Time Act will replace the Paid Medical Leave Act effective February 21, 2025
- Same date applies to changes to Michigan's minimum wage under the

November 2018 Ballot Initiatives

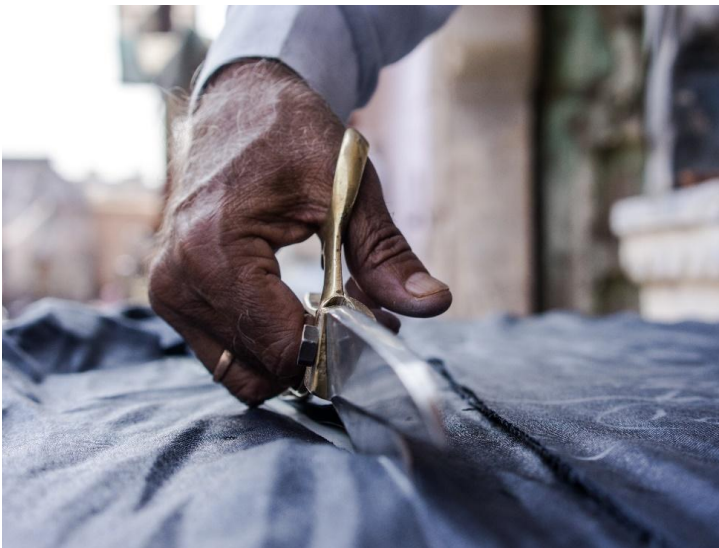


- Earned Sick Time Act (ESTA)
- Improved Workforce Opportunity Wage Act (IWOWA)
- Both initiatives received enough signatures on to go on the November 2018 ballot.
- If passed by the voters, they would have become law and could have only been amended or repealed by the voters or by three-fourths of the legislature.

Adopt and Amend

- In September 2018, the Michigan legislature adopted both ballot initiatives.
- In the same legislative session, on December 5, 2018, the Michigan legislature then amended both the IWOWA and the ESTA before they became effective.
- As a result, the PMLA and Amended Wage Act went into effect on March, 29, 2019.
- Covered employers have had to comply with these laws since.

ESTA, as amended to PMLA



- Renamed the Paid Medical Leave Act (PMLA).
- Applied only to employers with 50 or more employees.
- Allowed for employers to frontload the leave to avoid carry-over.
- Removed anti-retaliation provisions.
- Removed the right to bring a private civil suit for violations.

IWOWA, as Amended



Stretched out the increases in the minimum wage to reach \$12.00 per hour by 2030 rather than 2022.



Removed the provision for yearly increases based on inflation.



Removed the provision eliminating the tip credit.

Legal Challenges



Supreme Court Decision

- On February 10, 2023, Mothering Justice filed an Application for Appeal to the Supreme Court.
- On July 31, 2024, the Michigan Supreme Court issued its long-awaited decision, holding in a 4-3 ruling that Michigan's current paid sick leave law, the PMLA, and the Amended Wage Act are unconstitutional.
- Original versions of ESTA and IWOWA to be reinstated, effective February 21, 2025.

Reinstating Improved Workforce Opportunity Wage Act (IWOWA)

- Gradual minimum wage increases
- February 21, 2025
 - Minimum wage: \$12.00 (plus inflation adjustment).
 - Tip credit: 48% of minimum wage.
- February 21, 2026
 - Minimum wage: \$10.65 (plus inflation adjustment).
 - Tip credit: 60% of minimum wage.
- February 21, 2027
 - Minimum wage: \$11.35 (plus inflation adjustment).
 - Tip credit: 70% of minimum wage.
- February 21, 2028
 - Minimum wage: \$12.00 (plus inflation adjustment).
 - Tip credit: 80% of minimum wage.
- February 21, 2029 –
 - Minimum wage: State treasurer to calculate inflation-adjusted minimum wage.
 - Tip credit: none (same as standard minimum wage).

Difference Between the ESTA and PMLA

	Paid Medical Leave Act	Earned Sick Time Act
Coverage	Employers with 50 or more employees	Employers with 1 or more employee
Definition of Employee	Numerous exclusions, such as independent contractors, employees covered by a labor contract, employees who worked 25 hours or fewer in preceding year	"An individual engaged in service to an employer in the business of the employer, except that employee does not include an individual employed by the United States government."
Accrual	1 hour accrued for every 35 hours worked, up to 40 hours of paid time	1 hour accrued for every 30 hours worked, up to 72 hours of paid time
Maximum Use/Rollover	40 hours of paid time; rollover required unless 40 hours of leave is front-loaded on calendar/benefit year basis	72 hours of paid time (40 hours of paid time for employers with less than 10 workers); all sick time rolls over from year to year

Employer Coverage

PMLA
<ul style="list-style-type: none"> • Employer" means any person, firm, business, educational institution, nonprofit agency, corporation, limited liability company, government entity, or other entity that employs <u>50 or more individuals</u>. • Term "employ" is not defined, but should be interpreted broadly, not narrowly. <ul style="list-style-type: none"> ■ Count individuals employed on a part-time basis. ■ But do not count individuals who are properly classified as independent contractors.

ESTA
<ul style="list-style-type: none"> • Employer" means any person, firm, business, educational institution, nonprofit agency, corporation, limited liability company, government entity, or other entity that employs <u>1 or more individuals</u>, except that employer does not include the United States government.

Takeaway:

Michigan employers not currently subject to leave obligations under the PMLA will be covered by the ESTA.

Eligible Employees

PMLA

- Numerous exclusions, such as independent contractors, employees covered by a labor contract, employees who worked 25 hours or fewer in preceding year

ESTA

- “Employee” defined as “an individual engaged in service to an employer in the business of the employer, except that employee does not include an individual employed by the United States government.”

Takeaway:

Many Michigan employees who are not currently subject to paid leave obligations under the PMLA will be covered by the ESTA.