

# AGENDA

Henika District Library  
Board of Trustees Meeting  
December 12th, 2023 at 6:30 pm

## **I. Call to Order**

Members Present:

Members Absent:

Staff Present:

Guests:

## **II. Approval of Agenda (M)**

## **III. Community Opportunity to Address the Board**

## **IV. Approval of Meeting Minutes**

- A. November 2023 Regular Meeting Minutes (M)

## **V. Financial Reports**

- A. November 2023
  - Approval of Paid Bills (M)
  - Credit Card Detail Report
  - YTD Budget vs Actual
  - United Bank Accounts Overview

## **VI. Director's Report**

- A. Monthly Statistics
- B. Youth Report
- C. Adult Report
- D. Circulation Report

## **VII. Committee Reports**

- A. Building and Grounds Committee Meeting 11/15
- B. Finance Committee Meeting 11/29

## **IX. New Business**

- A. Notary Policy
- B. Employee Benefits Approval
  - a. Resolution (optional)
- C. Director Review
- D. 2024 Meeting Dates
- E. Board Member Evals

## **XI. Around the table**

## **XII. Adjournment**

Henika District Library  
Meeting Minutes

Henika District Library  
Board of Trustees Meeting  
November 14, 2023 at 6:30 pm

**Members Present:** Meghan Augustin, Tami Fryling, Jacqui Kuhn, Gary Marsh, Maria Musgrave, Danielle Simmons

**Members Absent:** Suzy Byville, Sarah Powell

**Staff Present:** Cierra Bakovka – Director

**Guests:** None

- I. Call to Order: Meeting called to order at 6:35 pm by Augustin.
- II. Approval of Agenda motioned by Marsh and seconded by Fryling. All yes, motion passed.
- III. Community Opportunity to Address the Board: no update provided.
- IV. Approval of October 2023 Regular Meeting Minutes motioned by Augustin and seconded by Marsh. All yes, motion passed.
- V. Financial Reports for October 2023
  - a. Monthly check register was reviewed. The payment to Lakeland was the last quarterly cooperative payment for this year. The payment to MLA is for the ThinkSpace Conference for new and emerging tech and trends. The payment to TKS was for security camera maintenance for a loose wire.
  - b. Credit Card Detail Report was reviewed. Musgrave inquired about tax free status for purchases made for the library; Bakovka states they do not have paperwork from the state to get tax free status from all vendors. The charge at the Wayland Hotel was for Faith's exit interview.
  - c. United Bank Accounts were reviewed. Bakovka states the accountant got the numbers fixed this month. There is a slight different due to more interest being added by the time Bakovka pulled the bank statement for the meeting compared to when the accountant had it.
  - d. Approval of paid bills motioned by Fryling and seconded by Musgrave. All yes, motion passed.
- VI. Director's Report
  - a. Bakovka shared that Jess will return to work on Friday, with no restrictions. She plans to work her regular hours after easing in for the

first two weeks. Tori is still working part time through at least December 1 due to doctor recommendations. Temporary employee Shannon will work through 20 November. Bakovka is working toward the Public Library Financial Management certificate program. Bakovka was contacted by Gun Lake Casino and Tribe; they would like to benefit local libraries with an upcoming book fair fundraiser. The Lakeland app is changing servicers, so there will be a lapse in app availability as the switch is made to the new app by BiblioCommons. Bakovka received a mini grant to go to PLA in April. Snow Fest plans are in full swing; the event will be December 2 from 5-9, and Henika will host a hot cocoa bar. The staff holiday party will be December 8. Henika recently received a Hometown Hero award, and a \$100 donation will be made to a charity of our choosing; Bakovka suggested Country Cat Lady and the Board agreed.

- b. Monthly Statistics were reviewed. Program attendance was down in November. There were less programs offered due to staffing, but the programs that were held were well attended. October had the highest door statistics of the year so far.
- c. The Youth Services report was reviewed. Tori is hoping to move after school art back to weekly in the new year. After school art was held twice in October and had 85 total attendees between both dates. Pokemon trainers had 25 attendees. Tori offered a Halloween STEAM program. Halloween get ready with us was a hit with 62 attendees. This Saturday Paleo Joe will be at the library at 11am to talk about dinosaurs and fossils.
- d. The Adult Services report was reviewed. October is the last month of programs that were planned by Faith; going forward programs will be planned by Abby. Speaker Cindy Semark had 7 attendees. Bakovka stated there will likely be more promotion for Tobin Buhk events in the future; he has been to Henika several times and is a great speaker. The Hocus Pochiss event offered a movie, popcorn, and visiting with cats from Country Cat Lady.
- e. The Circulation report was reviewed. There were 31 new patron card signups in October. Total circulation is up over 10,000 compared to last year.

## VII. Committee Reports

- a. Building and Grounds Committee Meeting 10/23
  - i. Fryling gave an overview of the meeting minutes. The parking lot decision is close to being final. The grant response has been delayed to December. The committee updated the needs/wants list and has begun looking at square footage needs. The committee is proposing a survey for what the community wants from the library.

## VIII. Unfinished Business

a. Phone System

- i. Bakovka got more information and another quote for replacing the phone system. The Board reviewed multiple options, including an on-premises system and a few VOIP systems. On premises systems are more expensive up front and lack additional features offered by VOIP systems. Most libraries use off-premises VOIP systems.
- ii. Classic Office Systems VOIP offers a lower initial cost compared to on-premises systems, but requires a monthly service cost. The current phone cost through Spectrum is \$89.97 per month; removing taxes and fax for VOIP would be approximately \$112 per month. This company offers on-site training as part of the setup. Classic Office Systems also provided a quote that includes a cordless phone, but Bakovka is not interested in that option due to reduced features for the cordless phone. The board discussed switching the fax to the new VOIP provider rather than remain through Spectrum (approximately \$30 per month) since it is roughly the same monthly cost.
- iii. A quote from BSB was reviewed. This quote is for the same system, with a slightly different phone model. This option is for approximately \$100 a month, but the quote did not include fax.
- iv. A quote from Managed Unified Communications was reviewed. This option is the most expensive and there is no customer service number on their website.
- v. Approval of spending up to \$1800 for one-time cost for purchase and installation of VOIP phone system, with monthly services as specified by the director, motioned by Musgrave and seconded by Augustin. A roll call vote was held. Six yes, two absent; motion passed.
  1. Musgrave YES
  2. Simmons YES
  3. Fryling YES
  4. Marsh YES
  5. Augustin YES
  6. Kuhn YES
  7. Byville ABSENT
  8. Powell ABSENT

IX. New Business

a. Auditor

- i. The cost of last year's audit was \$4300. There were mistakes made and the incorrect copy submitted to the state. Both quotes Bakovka received were higher – Vredevelde \$6900 for 2023 and Gabridge \$7290. Discussion ensued.

- ii. Switching from the current auditing firm to Gabridge & Co. motioned by Simmons and seconded by Marsh. A roll call vote was held. Five yes, one no, two absent; motion passed.
  - 1. Musgrave NO
  - 2. Simmons YES
  - 3. Fryling YES
  - 4. Marsh YES
  - 5. Augustin YES
  - 6. Kuhn YES
  - 7. Byville ABSENT
  - 8. Powell ABSENT
- b. Building and Grounds Committee Recommendation
  - i. The consulting firm wants a budget and the loan process wants a plan. The historic building has a lot of community commitment and attachment. The committee believes staying at the current site is the best plan of action; this does not exclude building separately vs. expanding upon the existing expansion. The committee would like the Board to consider narrowing down the plan to stay at this site to pursue as the main option. Considering future development at present location as the primary choice for expansion motioned by Marsh and seconded by Augustin. All yes, motion passed.
  - ii. The committee has been narrowing down the needs and wants list and has brought the current draft to the board for input. Recommended moving staff breakroom from wants to needs.
- c. Staff Holiday Bonus
  - i. Last year it was \$150 per staff member (\$50 for the brand new staff member). The holiday bonus comes out of employee benefits. The board agreed to a \$250 gift card for each employee for their holiday gift. Marsh to obtain gift cards in the amount of \$250 each from the bank for seven employees.
- d. Director Evals
  - i. Augustin requested that board members include comments on director evaluations. Evaluations due back by close on Friday December 1.

## X. Around the Table

- a. Augustin reminded the group that the next meeting is December 12, director evaluations are due by December 1, the Finance Committee needs to set a new date after the meeting, and the Building Committee is meeting tomorrow. Great job everyone, can't wait for Jess to come back.
- b. Bakovka is excited to have Jess back, excited for Snow Fest, proud of the committee work, and proud of the work staff putting in. Bakovka is hoping for a smooth close to the fiscal year. Appreciates the board's patience for the long meeting tonight.

- c. Marsh contacted the City garage about storing the picnic tables over the winter, no response yet so will reach out again. Interviewing banks for mortgage loans for new building construction; almost there for satisfying USDA requirements for grant.
- d. Fryling reminded the group that the Building Committee will be meeting tomorrow at 3:30.
- e. Simmons had nothing to add.
- f. Musgrave likes receiving multiple bids to consider.
- g. Kuhn had nothing to add.

XI. Adjournment of the meeting motioned by Augustin and seconded by Kuhn.  
Meeting adjourned at 8:59 pm.

# Monthly Check Register

*As of November 30th, 2023*

<b>Date</b>	<b>Payee</b>	<b>Memo</b>	<b>Account</b>	<b>Amount</b>
11.1.23	Amazon	Programming, Materials, Supplies	-SPLIT-	\$634.41
11.1.24	Baker & Taylor		Materials	\$542.19
11.1.25	Consumers Energy		Utilities	\$211.77
11.1.26	FosterSwift		Contractual Serv	\$517.00
11.1.27	Johnson Control		Contractual Serv	\$409.09
11.1.28	Michigan Gas		Utilities	\$64.68
11.1.29	MicroMarketing		Materials	\$78.29
11.1.30	T-Mobile		Comm.	\$254.56
11.15.23	Amazon	Programming, Materials, Supplies	-SPLIT-	\$617.59
11.15.24	Baker & Taylor		Materials	\$720.06
11.15.25	Blue Cross, Blue Shield		Employee Ben.	\$514.57
11.15.26	City of Wayland		Utilities	\$156.41
11.15.27	Coverall		Building & Grounds	\$555.00
11.15.28	Demco		Supplies	\$319.74
11.15.29	Kansas City Life		Employee Ben.	\$68.89
11.15.30	Lookout Books		Materials	\$247.77
11.15.31	MERS		Employee Ben.	\$739.83
11.15.32	MJA Landscape		Building & Grounds	\$256.00
11.15.33	Tori Schreur	Mileage reimbursement	Mem/Train	\$75.98
11.15.34	Spectrum		Utilities	\$106.47
11.15.35	Vickie Bolton	Purchase reimbursement	Programming	\$16.99
11.27.23	Amazon	Programming, Materials, Supplies	-SPLIT-	\$542.38
11.27.23	Baker & Taylor		Materials	\$148.85
11.27.23	Cardmember Services		-SPLIT-	\$1,746.49
11.27.23	Cengage		Materials	\$80.77
11.27.23	EastWest Books		Materials	\$235.90
11.27.23	FosterSwift		Contractual Serv	\$141.00
11.27.23	JK Santa		Programming	\$180.00
11.27.23	Lakeland	Continuing Ed Event	Mem/Train	\$25.00
11.27.23	MERS		Employee Ben.	\$682.88
11.27.23	Michigan Gas		Utilities	\$151.81
11.27.23	PaleoJoe		Programming	\$450.00
11.27.23	T-Mobile		Communications	\$257.69
11.27.23	Walker, Fluke and Sheldon		Accounting	\$476.10
			<b>Total:</b>	<b>\$12,226.16</b>



November 2023 Statement

Page 1 of 4

Open Date: 10/14/2023 Closing Date: 11/14/2023

Account: [REDACTED]



Visa® Business Cash Card

Elan Financial Services

1-866-552-8855

BUS 30 ELN 8 9

HENIKADISTRICTLIBRARY [REDACTED]

<b>New Balance</b>	<b>\$1,746.49</b>
<b>Minimum Payment Due</b>	<b>\$18.00</b>
<b>Payment Due Date</b>	<b>12/10/2023</b>

<b>Reward Points</b>	
Earned This Statement	1,781
Reward Center Balance as of 11/13/2023	19,766
For details, see your rewards summary.	

<b>Activity Summary</b>		
Previous Balance	+	\$1,225.85
Payments	-	\$1,225.85 <sup>CR</sup>
Other Credits	-	\$19.97 <sup>CR</sup>
Purchases	+	\$1,766.46
Balance Transfers		\$0.00
Advances		\$0.00
Other Debits		\$0.00
Fees Charged		\$0.00
Interest Charged		\$0.00
<b>New Balance</b>	<b>=</b>	<b>\$1,746.49</b>
<b>Past Due</b>		<b>\$0.00</b>
<b>Minimum Payment Due</b>		<b>\$18.00</b>
Credit Line		\$20,500.00
Available Credit		\$18,753.51
Days in Billing Period		32

**Payment Options:**



Mail payment coupon with a check



Pay online at myaccountaccess.com



Pay by phone 1-866-552-8855

Please detach and send coupon with check payable to: Elan Financial Services CPN 001910551



24-Hour Elan Financial Services: 1-866-552-8855

☎ to pay by phone  
☎ to change your address



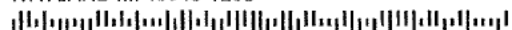
Account Number	[REDACTED]
Payment Due Date	12/10/2023
New Balance	\$1,746.49
Minimum Payment Due	\$18.00

Amount Enclosed \$ \_\_\_\_\_

HENIKADISTRICTLIBRARY  
ACCOUNTS PAYABLE  
149 S MAIN ST  
WAYLAND MI 49348-1208

Elan Financial Services

P.O. Box 790408  
St. Louis, MO 63179-0408



**Business Cash**

**Rewards Center Activity as of 11/13/2023**

Rewards Center Activity*	0
Rewards Center Balance	19,766

\*This item includes points redeemed, expired and adjusted.

Rewards Earned	This Statement	Year to Date
Points Earned on All Purchases	1,747	21,172
First Purchase Bonus	0	5,000
2 Extra Points - Telecom & Office Supply	34	778
1 Extra Point -- Restaurants & Gas	0	315
<b>Total Earned</b>	<b>1,781</b>	<b>27,265</b>

**Important Messages**

Paying Interest: You have a 24 to 30 day interest-free period for Purchases provided you have paid your previous balance in full by the Payment Due Date shown on your monthly Account statement. In order to avoid additional INTEREST CHARGES on Purchases, you must pay your new balance in full by the Payment Due Date shown on the front of your monthly Account statement.

There is no interest-free period for transactions that post to the Account as Advances or Balance Transfers except as provided in any Offer Materials. Those transactions are subject to interest from the date they post to the Account until the date they are paid in full.

**Transactions**      BAKOVKA, CIERRA J      Credit Limit \$20500

Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
<b>Other Credits</b>					
10/27	10/26	6873	LOWES #01121* GRANDVILLE MI MERCHANDISE/SERVICE RETURN	✓ \$19.97CR	Supplies
<b>Purchases and Other Debits</b>					
10/23	10/21	6895	WHENIWORK.COM WHENIWORK.COM MN	✓ \$20.00	CS
10/23	10/22	2786	ZOOM.US 888-799-9666 WWW.ZOOM.US CA	✓ \$16.95	CS
10/23	10/20	1394	RADISSON PLAZA HOTEL A KALAMAZOO MI	✓ \$344.56	ME
10/24	10/24	9122	AMZN MKTP US*0T8N14FH3 SEATTLE WA	✓ \$84.06	Equip
10/26	10/25	7528	WALGREENS #5117 JENISON MI	✓ \$27.18	Supplies
10/26	10/25	2124	LOWES #01121* GRANDVILLE MI	✓ \$144.14	Supplies
10/26	10/24	6712	WAYLAND DO IT BEST HAR WAYLAND MI	✓ \$9.00	Supplies
10/27	10/26	3526	AMZN MktP US*EC52D23I3 Amzn.com/bill WA	✓ \$99.88	YP
10/27	10/26	7332	VISTAPRINT 866-207-4955 MA	✓ \$51.93	Supplies
10/27	10/26	5034	ETSY, INC. 718-8557955 NY	✓ \$33.50	YP
10/27	10/26	5779	MEIJER # 026 JENISON MI	✓ \$14.97	Supplies
10/31	10/30	8787	AMAZON.COM*OC5NG87S3 SEATTLE WA	✓ \$15.18	Supplies
11/01	10/31	9610	COSTCO WHSE #0744 WYOMING MI	✓ \$28.98	Supplies
11/02	11/02	5019	AMERLIBASSOC ECOMMERCE 866-746-7252 IL	✓ \$21.25	MT

137.16 YP

Transactions		BAKOVKA CIERRA J		Credit Limit	\$20500
Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
11/02	11/01	1753	MARITZ AT&L* ALA 864-208-2676 MO	✓ \$347.00	MT
11/02	11/01	0332	ADOBE INC. 408-536-6000 CA	✓ \$21.19	CS
11/02	10/31	9672	MEIJER # 221 877-363-4537 MI	✓ \$11.36	VP
11/07	11/06	3349	TARGET.COM * 800-591-3869 MN	✓ \$14.30	BS
11/07	11/06	8802	VISTAPRINT 866-207-4955 MA	✓ \$49.81	ad supplies
11/07	11/06	9614	VISTAPRINT 866-207-4955 MA	✓ \$49.81	ad supplies
11/08	11/07	9707	MEIJER # 026 JENISON MI	✓ \$5.30	Supplies
11/10	11/09	0695	DOLLAR TREE JENISON MI	✓ \$15.90	BS
11/13	11/10	8748	DOLLAR TREE JENISON MI	✓ \$10.60	Supplies
11/13	11/11	9589	AMZN Mktg US*5P4FQ5X83 Amzn.com/bill WA	✓ \$12.99	Supplies
Total for Account [REDACTED]				\$1,429.87	

Transactions		SCHREUR VICTORIA		Credit Limit	\$5000
Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
<b>Purchases and Other Debits</b>					
10/18	10/17	6673	TARGET 00020156 CALEDONIA MI	✓ \$22.40	VP
10/24	10/23	5458	MEIJER # 199 CALEDONIA MI	✓ \$49.01	VP
10/26	10/25	0953	TARGET 00020156 CALEDONIA MI	✓ \$51.13	VP
10/30	10/28	8653	SHIPT* ORDER WWW.SHIPT.COM AL	✓ \$30.47	VP
10/31	10/30	8553	MEIJER # 199 CALEDONIA MI	✓ \$56.61	VP
11/01	10/30	4471	HARDING'S MARKET #3 WAYLAND MI	✓ \$17.97	VP
11/08	11/07	9304	TARGET 00020156 CALEDONIA MI	✓ \$39.20	VP
Total for Account [REDACTED]				\$266.79	

Transactions		GUMMINGS ABIGAIL		Credit Limit	\$5000
Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
<b>Purchases and Other Debits</b>					
10/27	10/25	1303	HARDING'S MARKET #3 WAYLAND MI	✓ \$16.97	AP
11/01	10/30	4646	HARDING'S MARKET #3 WAYLAND MI	✓ \$5.69	AP
11/06	11/04	3461	HARDING'S MARKET #3 WAYLAND MI	✓ \$11.48	AP
11/08	11/06	9137	HARDING'S MARKET #3 WAYLAND MI	✓ \$15.69	AP
Total for Account [REDACTED]				\$49.83	

Transactions		BILLING ACCOUNT ACTIVITY		Amount	Notation
Post Date	Trans Date	Ref #	Transaction Description	Amount	Notation
<b>Payments and Other Credits</b>					



## ACCOUNTANTS' COMPILATION REPORT

To The Board  
Henika District Library  
Wayland, MI

The Board is responsible for the accompanying financial statements of Henika District Library, which comprise the Governmental Fund Balance Sheet as of November 30, 2023, and the related Statement of Revenue and Expenditures for the one month and eleven months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the Board. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The Board has elected to omit substantially all the disclosures ordinarily required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Henika District Library.

**Walker, Fluke & Sheldon, PLC**  
Hastings, Michigan  
December 6, 2023

Henika District Library  
Governmental Fund Balance Sheet  
As of November 30, 2023

ASSETS

**Current Assets:**

Cash-Checking	\$ 129,649.63
Cash-Savings	540,629.27
Certificate of Deposit - 740	52,258.29
Savings - Building Fund	103,707.00
Certificate of Deposit - 943	30,999.68
Property Taxes Receivable	331,103.06
Due from Other Units of Government	<u>2,072.78</u>

**Total Current Assets** \$ 1,190,419.71

**Total Assets** \$ 1,190,419.71

**Henika District Library  
Governmental Fund Balance Sheet  
As of November 30, 2023**

**LIABILITIES AND FUND BALANCE**

**Current Liabilities:**

Due to the Federal Government	\$ (212.35)
Accrued Payroll	4,110.00
Deferred Property Taxes	<u>331,103.06</u>

**Total Current Liabilities** \$ 335,000.71

**Fund Balance:**

Fund Balance-Unrestricted	<u>762,554.00</u>
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**Total Fund Balance -Beginning** 762,554.00

Change in Fund Balance 92,865.00

**Total Fund Balance** 855,419.00

**Total Liabilities and Fund Balance** \$ 1,190,419.71

**Henika District Library**  
**Statement of Revenues and Expenditures**  
**For the 1 Month and 11 Months Ended November 30, 2023**

	<u>Total Year Budget</u>	<u>1 Month Ended Nov. 30, 2023</u>	<u>11 Months Ended Nov. 30, 2023</u>	<u>Year-To-Date Variance</u>
<b>Revenues:</b>				
Township Revenue	\$ 206,909.00	\$ 0.00	\$ 206,965.03	\$ 56.03
City Revenue	178,000.00	0.00	161,510.57	(16,489.43)
State Aid	10,600.00	0.00	10,577.02	(22.98)
Penal Fines	30,000.00	2,982.58	32,585.82	2,585.82
Copier & Fax Income	2,774.00	237.65	3,793.16	1,019.16
Fines	765.00	49.04	1,070.69	305.69
Interest Income	4,800.00	1,805.43	13,524.90	8,724.90
Memorial Donations	320.00	34.95	548.27	228.27
Book Sales	900.00	15.10	975.22	75.22
Federal E-Rate	4,000.00	0.00	3,672.41	(327.59)
Grants	5,600.00	0.00	5,600.00	0.00
Miscellaneous Income	39,320.00	0.00	29,322.53	(9,997.47)
<b>Total Revenues</b>	<u>483,988.00</u>	<u>5,124.75</u>	<u>470,145.62</u>	<u>(13,842.38)</u>
<b>Employee Expenditures:</b>				
Wages	200,000.00	12,469.29	163,192.74	36,807.26
Employee Benefits	35,000.00	3,756.17	26,824.29	8,175.71
FICA Expense	16,000.00	953.89	12,683.58	3,316.42
State Unemployment Tax	0.00	5.40	124.43	(124.43)
<b>Total Employee Expenditures</b>	<u>251,000.00</u>	<u>17,184.75</u>	<u>202,825.04</u>	<u>48,174.96</u>
<b>Operating Expenditures:</b>				
Memberships & Training	9,228.00	813.79	8,511.33	716.67
Bank Charges	50.00	0.00	0.00	50.00
Insurance & Bonds	4,000.00	0.00	3,298.00	702.00
Programming	17,200.00	1,667.84	16,410.45	789.55
Office Supplies	10,000.00	813.79	7,435.57	2,564.43
Furnishings	11,000.00	0.00	5,840.46	5,159.54
Equipment	20,025.00	84.06	8,612.19	11,412.81
Materials	36,665.00	3,043.04	32,410.25	4,254.75
Accounting	14,520.00	476.10	10,008.45	4,511.55
Contractual Services	35,000.00	1,125.23	26,997.52	8,002.48
Communications	3,500.00	512.25	3,199.00	301.00
Technology Support	4,000.00	0.00	1,887.50	2,112.50
Advertising	3,150.00	151.55	3,115.33	34.67
Postage	400.00	0.00	202.20	197.80

See Accountants' Compilation Report

**Henika District Library**  
**Statement of Revenues and Expenditures**  
**For the 1 Month and 11 Months Ended November 30, 2023**

	<u>Total Year Budget</u>	<u>1 Month Ended Nov. 30, 2023</u>	<u>11 Months Ended Nov. 30, 2023</u>	<u>Year-To-Date Variance</u>
Utilities	11,000.00	691.14	6,709.75	4,290.25
Maintenance-Building/Grounds	20,000.00	841.20	12,592.41	7,407.59
Maintenance-Equipment	4,000.00	0.00	2,222.00	1,778.00
Miscellaneous	0.00	0.00	3.17	(3.17)
Capital Outlay	<u>29,250.00</u>	<u>0.00</u>	<u>25,000.00</u>	<u>4,250.00</u>
<b>Total Operating Expenditures</b>	<u>232,988.00</u>	<u>10,219.99</u>	<u>174,455.58</u>	<u>58,532.42</u>
<b>Total Expenditures</b>	<u>483,988.00</u>	<u>26,895.29</u>	<u>377,280.62</u>	<u>106,707.38</u>
<b>Change in Fund Balance</b>	<u>\$ 0.00</u>	<u>\$ (21,770.54)</u>	<u>\$ 92,865.00</u>	<u>\$ 92,865.00</u>

See Accountants' Compilation Report





## Home

## Alerts

You have no alerts.

## Accounts

<b>PUBLIC FUND CASH MANAGEMENT CHECKING</b>	Current balance
XXXX7152	<b>\$147,227.07</b>

<b>PUBLIC FUNDS HIGH-YIELD SAVINGS</b>	Current balance
XXX013	<b>\$540,629.27</b>


<b>BUILDING FUND</b>	Current balance
XXX212	<b>\$103,707.00</b>

<b>TIME DEPOSIT</b>	Current balance
XXXX874	<b>\$52,898.54</b>

<b>TIME DEPOSIT</b>	Current balance
XXXX882	<b>\$31,379.48</b>

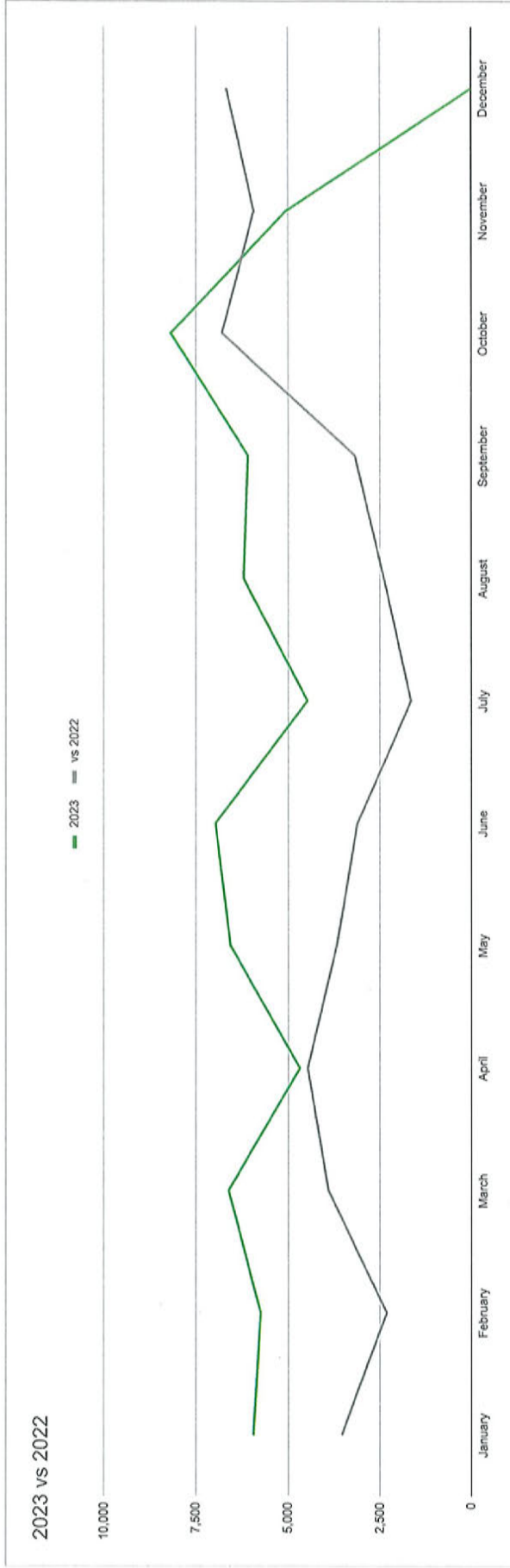
### United Bank

900 East Paris Ave SE | Grand Rapids, MI 49546 | 616.559.7000 | 800.968.1990

NOTICE: United Bank is not responsible for and has no control over the subject matter, content, information, or Member FDIC. Equal Housing Lender 

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WEEKDAY TRAFFIC STATS 23



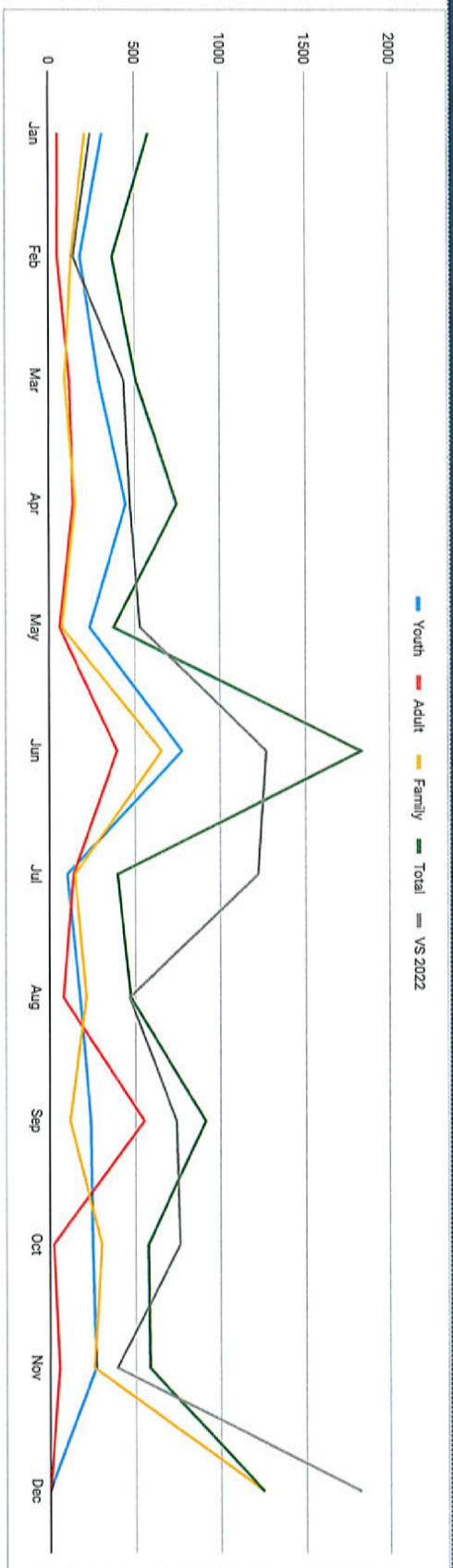
Summary

	January	February	March	April	May	June	July	August	September	October	November	December	Total	Average
2023	5,937	5,736	6,616	4,671	6,567	6,965	4,465	6,204	6,087	8,173	5,048	0	66,469	6,043
vs 2022	3,542	2,313	3,893	4,459	3,670	3,110	1,645	2,386	3,171	6,789	5,920	6,669	47,567	3,964

Days of the Week Avg.

	January	February	March	April	May	June	July	August	September	October	November	December	AVERAGE
Monday	264	340	270	207	236	344	250	379	395	438	295	#DIV/0!	#DIV/0!
Tuesday	273	381	342	215	303	278	181	203	248	296	176	#DIV/0!	#DIV/0!
Wednesday	213	244	327	220	283	332	218	298	252	405	204	#DIV/0!	#DIV/0!
Thursday	372	327	283	278	355	236	206	232	349	366	268	#DIV/0!	#DIV/0!
Friday	155	175	174	131	177	225	184	154	184	281	240	#DIV/0!	#DIV/0!
Saturday	139	113	106	93	140	212	115	102	118	75	88	#DIV/0!	#DIV/0!

Program Attendance 2023



Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Youth	317	188	295	451	240	778	107	180	241	251	270	0	3318
Adult	54	52	122	143	62	396	142	81	551	21	55	0	1679
Family	214	134	94	155	76	655	150	214	119	302	258	1252	3623
Total [1]	585	374	511	749	378	1,829	399	475	911	574	583	1252	8620
VS 2022 [2]	247	145	439	474	531	1,270	1,222	467	741	761	392	1,826	8515
Yearly Increase	237%	258%	116%	158%	71%	144%	33%	102%	123%	75%	149%	69%	101%

Program Types

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Average
Youth In-Person	307	183	292	419	232	414	70	164	176	241	258	0	2756	230
Youth Reading	10	5	3	7	8	364	37	16	65	10	12	0	537	45
Youth Take-Home	0	0	0	25	0	0	0	0	0	0	0	0	25	2
Adult In-Person	45	52	116	143	62	64	70	75	551	21	55	0	1254	105
Adult Reading	9	0	3	0	0	166	36	3	0	0	0	0	217	18
Adult Take-Home	0	0	3	0	0	166	36	3	0	0	0	0	208	17
Family In-Person	118	12	39	32	6	624	94	143	5	250	56	1252	2631	219
Family Take-Home	96	122	55	123	70	31	56	71	114	52	202	0	992	83

**November 2023**

**Youth Services Report**

**Tori Schreur, Youth Services Librarian**

**Lego Club:** 15 kids. This night's lego club was self-ran for the most part. I gave the kids a prompt, "design a meal out of legos," and a lot of kids took me up on the challenge. Some products made were cupcakes, french fries, a cheeseburger, and even a pop with a straw! The kids even cleaned up all of their legos! We had a fun time.

**Henika Pokemon Trainers:** 28 attendees. For Pokemon club this evening, I sat up a table with some dice and Pokemon cards. Kids could then roll the dice and that was the amount of cards they could pick. If they rolled a low number, I let them roll again! A lot of kids then traded those cards since they weren't a part of their original collection.

**Reading Dragons:** 8 new kids signups/1 recorded finisher. Our special dragon friends for the month were Mint Chocolate Chip, Scarecrow of Oz, and Toadstool.

**After School Art:** 99 attendees. For the first session of After School Art kids made dinosaur feet. Because we were having a presenter come in to discuss dinosaurs, I thought it was only fitting if we had a dinosaur craft. Then at the last session of After School Art, kids made decorations for the youth department downstairs. They made snowmen, candy canes, Christmas trees, etc., out of various materials.

**Preschool Storytime(s):** 9 attendees. Only one session of storytime was held, but this one was a hit with the kids! We read books and sang songs about dinosaurs. I had enough dinosaur puppets for the kids to use and they loved it! We had a lot of fun pretending we were dinosaurs

**1000 Books before Kindergarten:** One new sign-up and one child has moved onto the next step!

**Dino Day with Paleo Joe:** 51 attendees. Paleo Joe came in and talked to grownups and kids about dinosaurs! I think the parents may have even enjoyed it more than the kids. He brought replicas of bones he found and talked about a lot of his past expeditions. He talked about misconceptions people have about dinosaurs thanks to the Jurassic Park films. I even learned a lot about dinosaurs!

**Looking forward:**

On December 2nd we will be celebrating Snowfest! We will have a hot chocolate bar, some paintings hung throughout the library, and I will be reading downtown. Now that I am back to my regular schedule, we will be having more consistency with our youth programs. On

December 6th, we will be hosting Lego Club. December 12th we will bring back Sensory playtime for the littles! On December 13th, Santa will be joining us at the library! He will be reading some letters to Santa and letting children take pictures with him. On December 14th we will be having storytime as well as After School Art. During the first week of Winter Break, I will be hosting Pokemon Trainers on Wednesday the 20th, and then a Playdoh party on both Thursday the 21st and Friday the 22nd to make space for kids of all ages. Last but not least, one last storytime of the year will be held Thursday, December 28th.

**NOVEMBER 2023**

**Adult Services Report**

**Abigail Cummings, Adult Services Librarian**

### **Programs & Attendance**

#### **NaNoWriMo (In-Person): 6**

This event was always intended to be low key, but attendance was still lower than I'd hoped. It was 2 weekends, with a handful of people at each one. I think if I want to do this next year, I'll have to do a lot of prep work before hand to improve engagement.

#### **Game Night (In-Person): 0**

This one was a disappointment. I'd heard that events other than speakers and crafts tended to have low attendance, but I'd hoped that the promise of snacks would entice people.

#### **Adult Craft: Hand Salve (In-Person): 16**

This one was very popular, and people have been asking if I'll do it again. There was a pretty long waitlist, and multiple people asked for the instructions. I don't know if I'll do this exact craft again, but I'll definitely try and do some similar ones this winter.

#### **Adult Craft: Sock Gnomes (In Person): 13**

This craft also had good attendance, and people seemed to really like it. It was pretty easy and not particularly expensive. It was definitely a good craft for winter!

#### **Seniors at Sawmill Estates (In Person): 8**

This was my first time at Sawmill, and I had a great time! We played bingo, and I promised to bring our calendar and my business card next time I come. I'm hoping we might have some of the residents come to events at the library as well.

#### **Seniors at Green Acres (In Person): 7**

I had to reschedule this one because I was sick, but once I got there we had a good time! We learned how to weave using a hand loom and I brought some memory kits. I think next time I'm going to bring watercolors, as they were requested.

#### **Bingo! Brunch (Family In-Person): 5**

Bingo brunch has pretty much been the same for me each month. I'd like to work with Tori to see if we can get more attendance from young families, because I'm not seeing a lot of them.

#### **Spice Club: Pumpkin Spice (Family In-Person): 5**

I was getting a lot of engagement with this event beforehand, but not a lot of people showed up. I've been having people vote on a spice, and I've been talking about it a lot at other events, so hopefully I can get attendance up with future spice clubs.

**Total Program Participants: 60**

### **September Reflection**

November was the first month where I planned the events instead of doing things that Faith had planned, and it was a lot of fun! I think most of them went well, and I learned a lot about what the community wants and how to plan in the future. I've started to built relationships with the regular attendees, and I was happy to get out in the community.

### **Looking Forward**

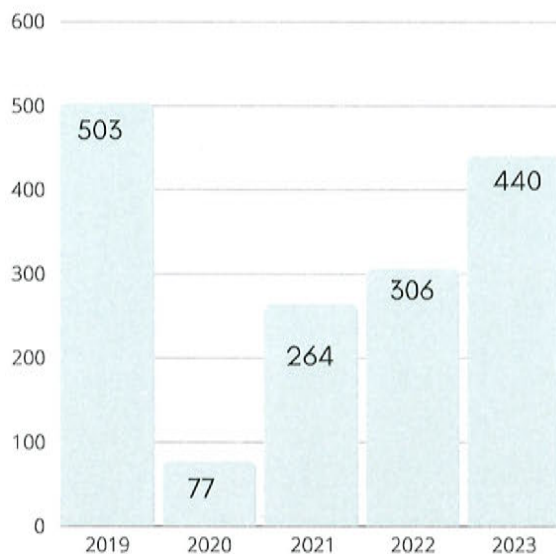
I've been working on our social media presence and marketing our events, so I'm hoping to improve attendance each month. I have a couple of crafts planned for December: a hot cocoa mix and a couple types of ornaments. We're also doing spice club (cocoa powder) and bingo! Brunch. I'm not sure if attendance will be low because people are out of town for the holidays, or high because kids are home. I'll also be visiting Sawmill Estates and Green Acres again.

# November 2023

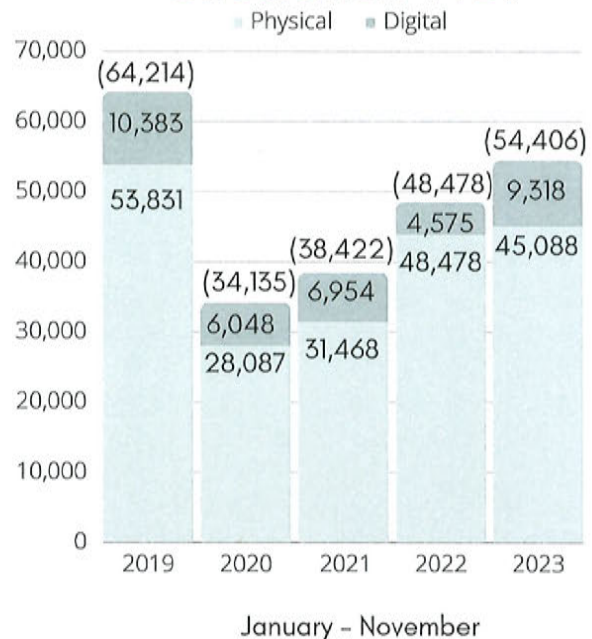
Our overall circulation numbers are on the rise, with Circulation YTD numbers up 5,928 from last November. The categories showing the most growth from last year during the month of November are Special Collection items; which circulated 1.5 times the amount that they did last November and General Non-Fiction DVDs; which circulated 11 times the amount that they did last November. Other categories showing noticeable growth from last November include: MeL items, Juvenile Audiobooks, Adult e-books and Adult e-audiobooks. Categories that are trending downward this November include: all of our Print categories (Adult, Teen, Tween, and Juvenile), General DVDs and Youth DVDs. I attribute the lower circs of some of our physical materials this month to our holiday closures and fewer patrons coming into the library around the holidays in general.

Courtney Schenkuizen - Circulation Supervisor

## Computer Sessions



## Circulation YTD:



Henika has 2,667 total patron accounts. 437 of these accounts are active\* (not expired). Most expiration dates are set for 3 years upon renewal.

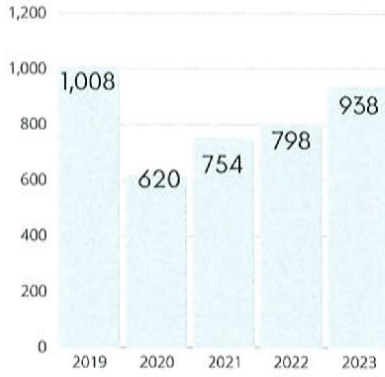
236 Patron accounts added YTD  
 15 Patron accounts added in November

- 9 Wayland City
- 5 Wayland Township
- 1 Non-Resident

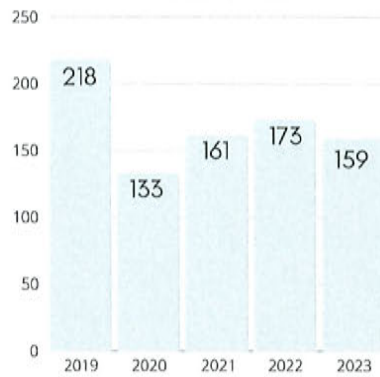
\*Active refers to those physically checking out items. This does NOT include those who only borrow e-material.



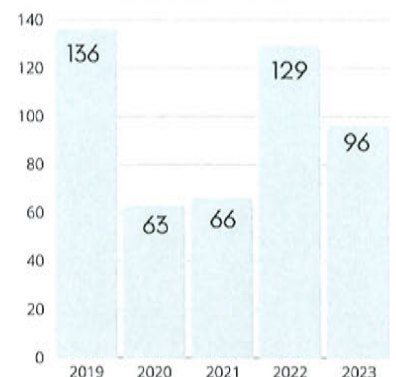
### Adult Print



### Teen Print



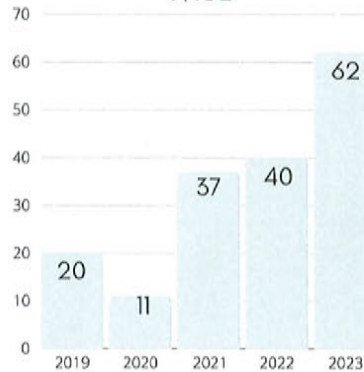
### Tween Print



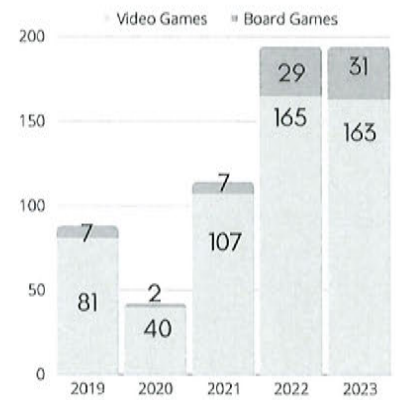
### Juv Print



### MeL

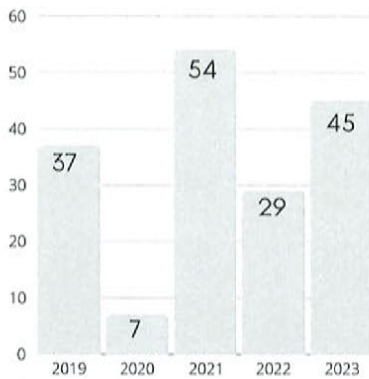


### Games

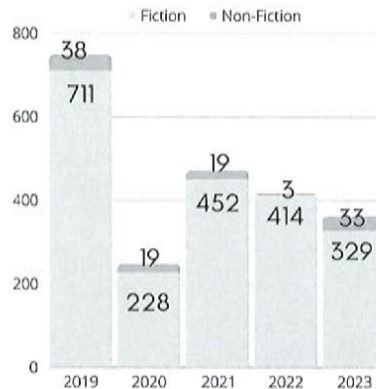


\*pictures books, readers, chapter, juv graphic, juv NF

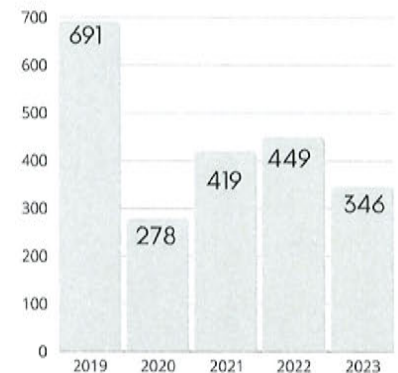
### Special Collection



### General DVD

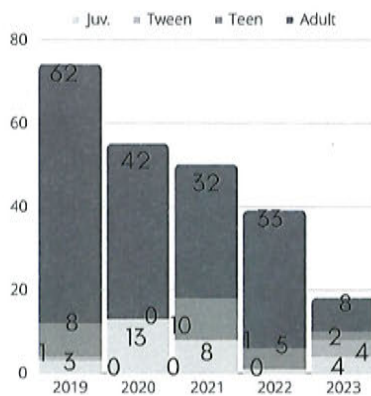


### Youth DVD

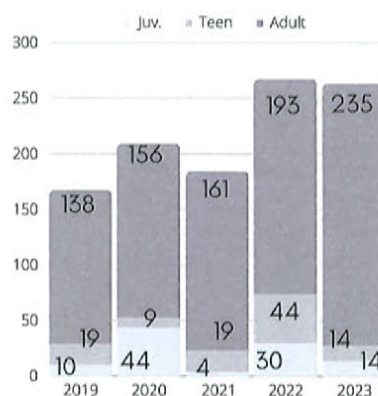


\*prior to August 2021, this only included launchpads

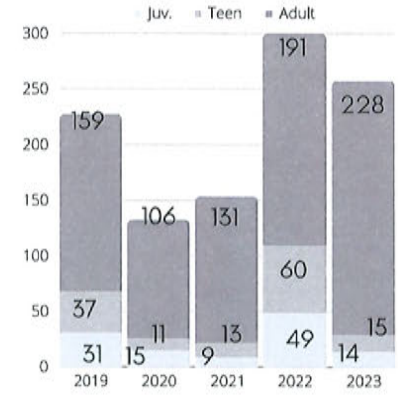
### Audiobooks



### eBooks



### eAudio



# MINUTES

Henika District Library

Building/Grounds Meeting

November 15, 2023 3:32p

**Members Present:** Meghan Augustin (late), Suzy Byville, Tami Fryling, Gary Marsh

**Members Absent:** none

**Staff Present:** Cierra Bakovka – Director

**Guests:** none

- I. Call to Order: Meeting called to order at 3:32 pm by Fryling
- II. Approval of Agenda motioned by Fryling, seconded by Walsh. All yes, motion passed.
- III. Community opportunity to address the board – no comments
- IV. Approval of August Meeting Minutes motioned by Fryling , seconded by Byville. All yes, motion passed.
- V. Unfinished Business
  - a. Parking Lot Update – In 20 day waiting period with City. Next mtg is Dec 4, for final approval.
  - b. Quote for plowing from current landscape provider is ready and will be presented once final approval from city is received.
- VI. New Business
  - a. Community Survey Draft -Mock up of Survey for community presented by Bakovka, modifications were made. Option to have a raffle discussed and agreed upon. Will have 1 -\$50 card. Will have paper form or QR as well as online (ready in time for Snowfest Dec 2). Deadline to be set for December 30 at 2:00pm. Note: option to extend if not enough responses received.

- b. Next Steps: Bakovka to make changes, have survey ready by Dec 2.
- c. Triangle has asked for a meeting with 'representatives' of the board to discuss 'vision'.
  - i. Who should meet: Chairs & President is the prevalent option.
  - ii. Cierra with contact Triangle for their availability prior to January Board meeting.
  - iii. Discussion about parking should new library has a Community Room. As parking is limited, concern expressed that community room may not be a viable option. Discussion held about being creative with parking and that it is essential to keep the community room in the new library plans. Members agreed it is too early in planning process to make any new decisions at this time.
- d. Next meeting: Tentative Jan 3<sup>rd</sup> at 4:00. Confirm at December Board mtg.

VII. Around the table.

- a. Bakovka- excited to see building process take off and see results of survey
- b. Augustin- sees progress as well, happy to see plans going forward
- c. Byville- agrees it a big project and sees progress
- d. Marsh- impressed with our leader/director and believes it will help get this building process to succeed
- e. Fryling- Thoroughly believe this is going to happen. Excited to hear about the grant decision in December.

VIII. Adjournment- motioned by Fryling, seconded by Augustin , motion carried. Adjourned at 5:07 pm.

Henika District Library  
Meeting Minutes

Henika District Library  
Finance Committee Meeting  
November 29, 2023 at 2:00 pm

**Members Present:** Jacqui Kuhn, Gary Marsh, Meghan Augustin (ex officio)

**Members Absent:** Maria Musgrave

**Staff Present:** Cierra Bakovka – Director

**Guests:** None

- I. Call to Order: Meeting called to order at 2:10 pm by Marsh.
- II. Approval of Agenda motioned by Augustin and seconded by Kuhn. All yes, motion passed.
- III. Approval of October 4, 2023 Finance Committee Meeting Minutes motioned by Augustin and seconded by Kuhn. All yes, motion passed.
- IV. Unfinished Business
  - a. Explore Funding Options for Building Project
    - i. Grants
      1. Bakovka is still awaiting a response on the Community Center Grant she submitted in August. Awardees were supposed to be notified in October, but it has been pushed back to December.
      2. Kuhn was not able to find any additional opportunities for grants as a potential funding source since the last meeting. Bakovka noted the Allegan County Community Foundation as a potential grant opportunity in the future once we have a more defined plan.
    - ii. USDA Loan
      1. Bakovka is working on the pre-application package for the USDA loan. The interest rate for this program is 3.875% for 30 or 40 years.
    - iii. Millage
      1. Musgrave is assigned to research millage as a potential funding source. No update provided due to absence.
    - iv. Bank Loan
      1. Marsh met with additional banks to explore funding via bank loan, but it is not likely to be a viable option due to interest rates in the 7.25-8.5% range or higher. This

information was necessary to compile for the USDA loan pre-application process.

- v. Fundraising Campaign (Large Donors)
  - 1. Marsh was tasked with researching fundraising campaigns as a potential funding source. There was discussion about potential fundraising through sponsorship/donor recognition pieces (i.e. bricks or leaves), as well as the initial community response to the survey that was sent out by the Building Committee. Kuhn suggested offering informational tours of the space once we are further along in the process to help educate the community on the library's needs, like what Wayland Union Schools offered prior to their millage. Bakovka will be attending the Chamber of Commerce gala to meet with other area business owners.

V. New Business – no new business.

VI. Around the Table

- a. Bakovka shared details on the plans for Snow Fest.
- b. Marsh suggested looking into working with the metal artist who created the art piece on the side of the library if we do the brick/leaf sponsorship-type fundraiser.

VII. Adjournment of the meeting motioned by Marsh and seconded by Kuhn.  
Meeting adjourned at 3:04 pm.

## NOTARY POLICY

### **PURPOSE**

Notary services will be provided at the Henika District Library in accordance with the laws of the State of Michigan.

### **AVAILABILITY**

Notary services will be available in accordance with the laws of the State of Michigan. Only HDL employees who hold a valid State of Michigan notary commission will be able to provide notary services. Notary services are on an appointment or walk-in basis during regular library hours when a notary is scheduled to work and available to perform the task, up to 30 minutes prior to closing or prior to the end of the notary's shift. HDL cannot guarantee that a notary will be on staff at all times, therefore patrons should call ahead to verify a notary is present and available. HDL does not guarantee availability of notary services at any time, availability is at the discretion of the library. Remote notary services are not permitted.

### **FEEES**

There is no charge for notary services.

### **REQUIRED DOCUMENTATION**

Patrons must provide:

- a. The completed, unsigned, document(s) to be notarized.
- b. A valid, unexpired state ID, federal ID, or other government ID with signature and photo (accepted forms of ID include: driver's license, state ID card, US military ID, or US passport)
- c. A witness, if required, who must personally know the person whose documents are being notarized, and who can provide valid photo identification.

### **EXCLUSIONS**

Documents the Henika District Library will not notarize:

- a. Documents that are already signed
- b. Documents with blank pages, documents or pages not filled in, pages not related to the body of the document, or pages in a language other than English
- c. Blank documents
- d. Homeland Security I-9 Forms

- e. Real estate documents, such as closing documents, mortgages, and deeds
- f. Trust and estate planning documents such as trusts, living wills, wills, codicils,
- g. Documents written in any language other than English
- h. HDL cannot “certify a copy” (e.g., verify that a reproduction of an original is a true, complete, and correct copy of the original)
- i. Notaries cannot certify or notarize that a document/record is an original or true copy of another record, including birth certificates, death certificates, adoption records, or marriage licenses. In Michigan, a notary can only acknowledge the signature of the issuer or holder (person on the document) making a true copy statement on, or attached to, the document.
- j. The notaries retain the right to refer patrons elsewhere if they doubt the validity of the document(s) they are being asked to notarize or are uncomfortable with the person or persons signing the document(s).

#### COMPLIANCE WITH MICHIGAN LAW

The notary will maintain a journal in which each transaction will be noted, along with the identification provided.

Notarizing a document does not constitute a legal review of the document’s content. A notary public may refuse to perform a notarial act at any time, for any reason ([MCL55.285\(8\)](#)).

Notaries adhere to the Michigan Notary public act of 2003:

- a. Notaries cannot give professional advice on legal matters pertaining to notarizing documents.
- b. The notaries cannot act as a witness to and notarize the same document. Flat River Community Library will not provide witnesses and witnesses may not be solicited from other patrons using the library. To serve as a witness, the witness must personally know the person whose documents are being notarized, and must also provide valid photo identification.
- c. Notaries are not permitted to make use of a translator to communicate with a notary services patron.
- d. Documents to be notarized must be signed in person, in front of the notary who will certify the signature.



## Strategic Partner Analysis



### Breaking News: New State Law Limits Employer Contributions to Public Employee Health Insurance

Governor Snyder is expected to sign a new law that will limit public employer contributions to employee health insurance, effective January 1, 2012. This law will apply to all public libraries in the state. The "Publicly Funded Health Insurance Contribution Act" provides two mechanisms that limit employer contributions to healthcare: a "hard cap" and an optional "80/20" plan. The Act applies to "medical benefit plans" that provide payment of medical benefits, including, but not limited to, hospital and physician services, prescription drugs, and related benefits. Unlike an earlier version of the bill that eventually became this law, the Act does not apply to dental or vision care plans.

#### Q: What employers are affected by the Act?

The new law applies broadly to "public employers." Legislators appear to have set their sights on every public employer, because the Act will apply to local units of government, political subdivisions of the state, and "any Intergovernmental, metropolitan, or local department, agency, or authority, or other local political subdivisions." Also included are school districts, community or junior colleges, and certain other institutions of higher education. Although not specifically mentioned in the Act, it is reasonable to include public libraries in the broad definition of "public employer."

#### The Default Limit: The Hard Cap

The Act is drafted to apply a maximum that a public employer may pay towards public employee health care costs. The limit on a public employer's total contribution for employee health insurance that will apply, if the library's governing body takes no action (see below), will be equivalent to:

- \$5,500 times the number of employees with single coverage, plus
- \$11,000 times the number of employees with two person coverage, plus
- \$15,000 times the number of employees with family coverage.

The amount necessary to purchase health insurance for employees that exceeds this "cap" must be paid by employees.

#### Q: How is the remaining cost recovered from employees?

The remaining 20% of the cost is to be recovered through payments by the employees. These payments may be spread evenly or different classifications of employees may be asked to pay a lesser or greater percentage of the cost as long as the total 20% is recovered.

#### Q: What employer costs count toward the cap?

The annual premium or illustrative rate and any payments for reimbursements of co-pays, deductibles, or payments into Health Savings Accounts, Flexible Spending Accounts, or similar accounts used for health care are included as employer costs. Benefits provided to retired employees are not included.



**Q: Will the caps ever change?**

Yes. The State Treasurer will adjust the caps each October 1 based on the change in the medical care component of the U.S. Consumer Price Index. The newly adjusted caps will be effective January 1. The past few years, the medical care component of the Consumer Price Index has risen 12-15% a year, so it is likely that caps will rise significantly.

**Q: How can employers and employees plan for and manage the annual change in contributions?**

The adjustment of the cap could be viewed as a way to encourage employer-employee cooperation in plan selection and cost maintenance or reduction: if the plan increase for the year is less than the change in the Consumer Price Index, employees may in fact see their contribution rate slow or drop.

## The 80/20 Plan

**Q: How does an employer elect the 80/20 plan?**

The employer's governing body may, by a majority vote, elect to limit its healthcare contributions differently. Instead of the hard cap described above, the employer could simply elect not to pay more than 80% of the total annual cost of the medical benefit plans it offers, without regard to how much that means per employee with single, double, or family coverage.

**Q: What employer costs are counted toward the 80/20 calculation?**

**Included.** The annual premium or illustrative rate *and* any payments for reimbursements of co-pays, deductibles, or payments into Health Savings Accounts, Flexible Spending Accounts, or similar accounts used for health care.

**Not Included.**

- Benefits provided to retired employees
- Beneficiary- or employee paid copayments, coinsurance, deductibles, other out-of-pocket expenses, other service-related fees that are assessed to the coverage beneficiary, or payments into Health Savings Accounts, Flexible Spending Accounts, or similar accounts used for health care
- Healthcare contributions for employees covered by a contract or agreement in effect before September 15, 2011.

## Opting Out

Although the new law imposes a maximum that public employers may contribute to employee health care costs, it also provides a mechanism for public employers to opt out of the Act's requirements—and therefore determine on their own how much to contribute to employee health insurance. Not all public employers will be able to take advantage of it, however.

**Q: How does an employer opt out?**

This mechanism permits a "local unit of government" to exempt itself from the requirements of the Act for a one year period by a two-thirds vote of its governing body. A new two-thirds vote would be required to extend the exemption in each subsequent year. By opting out, the local unit of government would be able to determine on its own how much it contributes to employee health insurance, without reference to hard caps or the 80/20 split set out in the Act.

**Q: Who can opt out?**

The Opt Out provision is available only to "local units of government," defined as cities, villages, townships, or counties, municipal energy utilities, public airport authorities, and the Huron-Clinton

Metropolitan Authority. Thus, libraries, other authorities, drain commissions, and school districts will be **unable** to opt out. This puts libraries in the difficult position of having to balance the cost of health care with their employees' ability to pay. In some cases, libraries may have to reduce benefits in order to make health insurance affordable for some employees.

### **Special Issue: Contrary contract terms**

**Q: A collective bargaining agreement requires employer contribution that results in total contribution that exceeds the limits—is this contract term still valid?**

The Act will not apply to health insurance provisions for employees covered by a collective bargaining agreement or other contract that is in effect on **September 15, 2011**. The Act's limits will, however, apply when those "grandfathered" agreements or contracts are extended, renewed, or amended. In the meantime, amounts expended for medical benefit plans under such contracts or agreements are excluded from the calculation of the public employer's maximum payment under the 80/20 provision, if that provision is applied for other employees.

**Q: How will the Act's requirements affect what can be negotiated at the bargaining table?**

Beginning **September 15, 2011**, a collective bargaining agreement or other employee contract may not contain terms contrary to the Act. This means that negotiation for a contribution term that would result in the employer's overall contributions exceeding the Act's limits is prohibited. There will likely be some debate over the obligation of an employer to bargain over the effect of adopting the 80/20 provision, since the Act allows the employer to apportion the 20% contribution among employees. The Act's language would seem to prohibit even that possibility, however, since it provides that the employer shall apportion its 80% contribution to health care costs "as it sees fit."

### **Loose Ends**

**Q: Do public employers have any discretion under the Act?**

Although there are some special rules for elected officials, if a public employer does not opt out of the Act's requirements, which libraries may not, a public employer generally may allocate its contributions among its employees as it sees fit, requiring certain employees to contribute more than others. The force of the Act is an absolute limit on how much an employer may contribute overall, not a hard and fast mandate as to how much each employee must contribute. Therefore, employers may use this discretion to allocate costs to reflect an understanding that some employees may not be able to afford or contribute as much as others, based on salary and hourly wages.

**The Act establishes an absolute limit on amounts an employer may contribute overall, not necessarily a mandate as to how much *each employee must contribute*.**

Ultimately, 'who pays how much' is a policy decision, not governed by this new law: as long as overall costs do not exceed the caps or 80/20 limits, each employee or group of employees could be treated differently. An employer could therefore pay \$6,000 toward one employee's single coverage plan, and \$5,000 toward another employee's single coverage plan, because the overall contribution is not higher than \$5,500 per employee with single coverage. Similarly, an employer may pay 90% of one group of employee's medical benefit plan and 70% of another, so long as the employer's overall contribution does not exceed 80% of the *total costs*.

**Q: Are there penalties for failing to comply with the Act or opting out of the Act's requirements?**

Opting out and failing to comply with the Act are two different things. If an employer is a "local unit of government" and opts out, there are no penalties. However, certain employers who do not opt out and still fail to comply with the Act do face penalties. If an employer receives state school aid or payments under the economic vitality incentive program (which replaces the statutory revenue sharing system) fails to comply with the Act, those payments would be reduced by 10% as long as the employer is noncompliant. No other forms of state aid, including aid to libraries, appear to be affected or reduced.

There remains an open question as to the consequences for a public employer who is not affected by the penalty provision, who chooses not to comply with the Act's requirements, including whether the public employer could be challenged for failure to comply with the law. As yet, it is unclear how such an issue might be raised. The Act does not confer standing on individuals or the Attorney General to challenge a library's failure to comply and it is difficult to identify a possible special injury or right or substantial interest that would be detrimentally affected in a manner different than any other person, as is required to satisfy standing requirements in Michigan courts. That said, we do not encourage libraries to ignore this Act.

**Q: How will employees pay their share?**

The Act permits payroll deductions and authorizes employers to condition eligibility for the medical benefit plan on the employee's authorizing the deduction.

**Q: How should the employer make its contributions: monthly or in a lump sum payment?**

This will be a matter up to the employer. The Act does not provide guidance on this issue, which raises some practical concerns. If an employer reaches its maximum contribution amount before the end of the year, it is unclear what would happen if an employee somehow stopped paying for coverage: would the employee be entitled to maintain coverage and if so at what rate. Although it is still far too early and difficult to give blanket advice as to a best practice, it is likely that spreading contributions out evenly over the year and deducting the employees' share from payroll in a similar fashion will avoid having to determine what coverage is available to an employee whose coverage lapses for lack of payment and at what rate.

**Q: How can employers determine whether and how to use the hard cap or the 80/20 plan, or, if possible, opt out of the Act's requirements?**

Employers should reflect on a number of things:

- State of the overall budget
- Healthcare costs in preceding years—whether some of those costs will be included in calculating employer contribution under the Act and if so what the difference in payments would be
- Whether and to what extent employees are contributing on average now as a percentage of overall cost or average cost per single, double, and family coverage employee
- Whether employer costs are fairly predictable or are they tied to variable amounts of reimbursement
- Whether and to what extent penalty provisions will apply if the Act's requirements are not met

**If you would like more information about this new law, don't hesitate to ask!**

You can read the most recent version of the bill (originally Senate Bill 0007), on the Michigan Legislature's [website](http://www.legislature.mi.gov) at <http://www.legislature.mi.gov>.

You can—and should—discuss the practical and legal issues surrounding this new law with your attorney, as well, because it will undoubtedly present many challenges in budget costs and at the bargaining table in the months and years to come.

**The Authors**

This Strategic Partner Analysis was brought to you by Stephen Schultz and Helen "Lizzie" Mills of Fahey Schultz Burzych Rhodes PLC, a law firm formed specifically to provide legal services to municipalities and libraries the State of Michigan. Fahey Schultz is a frequent contributor and advisor to the Michigan Library Association and to libraries across Michigan. This publication is intended for informational purposes only. This communication highlights specific areas of law, and is not legal advice. The reader should consult an attorney to determine how the information applies to any specific situation.



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Helen "Lizzie" Mills joined the library and municipal practice groups at Fahey Schultz Burzych Rhodes PLC in 2010, after graduating second in her class at the Thomas M. Cooley School of Law.



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**RESOLUTION TO ADOPT 80% / 20% EMPLOYER/EMPLOYEE HEALTH CARE COST  
OPTION AS SET FORTH IN 2011 PUBLIC ACT 152, THE PUBLICLY FUNDED  
HEALTH INSURANCE CONTRIBUTION ACT**

**WHEREAS**, 2011 Public Act 152 (the “Act”) was passed by the State Legislature and signed by the Governor on September 24, 2011;

**WHEREAS**, the Act contains three options for complying with the requirements of the Act;

**WHEREAS**, the three options are as follows:

- 1) Section 3 - “Hard Caps” Option - limits a public employer’s total annual health care costs for employees based on coverage levels, as defined in the Act;
- 2) Section 4 - “80%/20%” Option - limits a public employer’s share of total annual health care costs to not more than 80%. This option requires an annual majority vote of the governing body;
- 3) Section 8 - “Exemption” Option - a local unit of government, as defined in the Act, may exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body;

**WHEREAS**, the Henika District Library Board has decided to adopt the 80% / 20% option as its choice of compliance under the Act;

**NOW, THEREFORE, BE IT RESOLVED** the Board of the Henika District Library elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the 80%/20% option for the medical benefit plan coverage year January 1st, 2024 through December 31st, 2024.

Upon a call of the roll, the vote was as follows:

Ayes:

Nays:

Absent:

Secretary or Treasurer Certification: \_\_\_\_\_

**HENIKA DISTRICT  
LIBRARY BOARD  
REGULAR MEETING  
DATES 2024**

**JANUARY 9TH**

**FEBRUARY 13TH**

**MARCH 12TH**

**APRIL 9TH**

**MAY 14TH**

**JUNE 11TH**

**JULY 9TH**

**AUGUST 13TH**

**SEPTEMBER 10TH**

**OCTOBER 8TH**

**NOVEMBER 12TH**

**DECEMBER 10TH**