

AGENDA

Henika District Library
Finance Committee Meeting
February 21st, 2024 at 1:45pm

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. Triangle cost update
 - b. Grants
 - c. USDA Loan
 - d. Millage
 - e. Bank Loan
 - f. Fundraising Campaign (Large Donors)

V. New Business

- A. Review Employee Benefits
 - a. MERS
 - b. Medical, Dental, STD/LTD

VI. Around the table

VII. Adjournment



Henika District Library

Draft Program Needs

2/2/2024

Stakeholders: Gary, Tammy, Cierra, Meghan

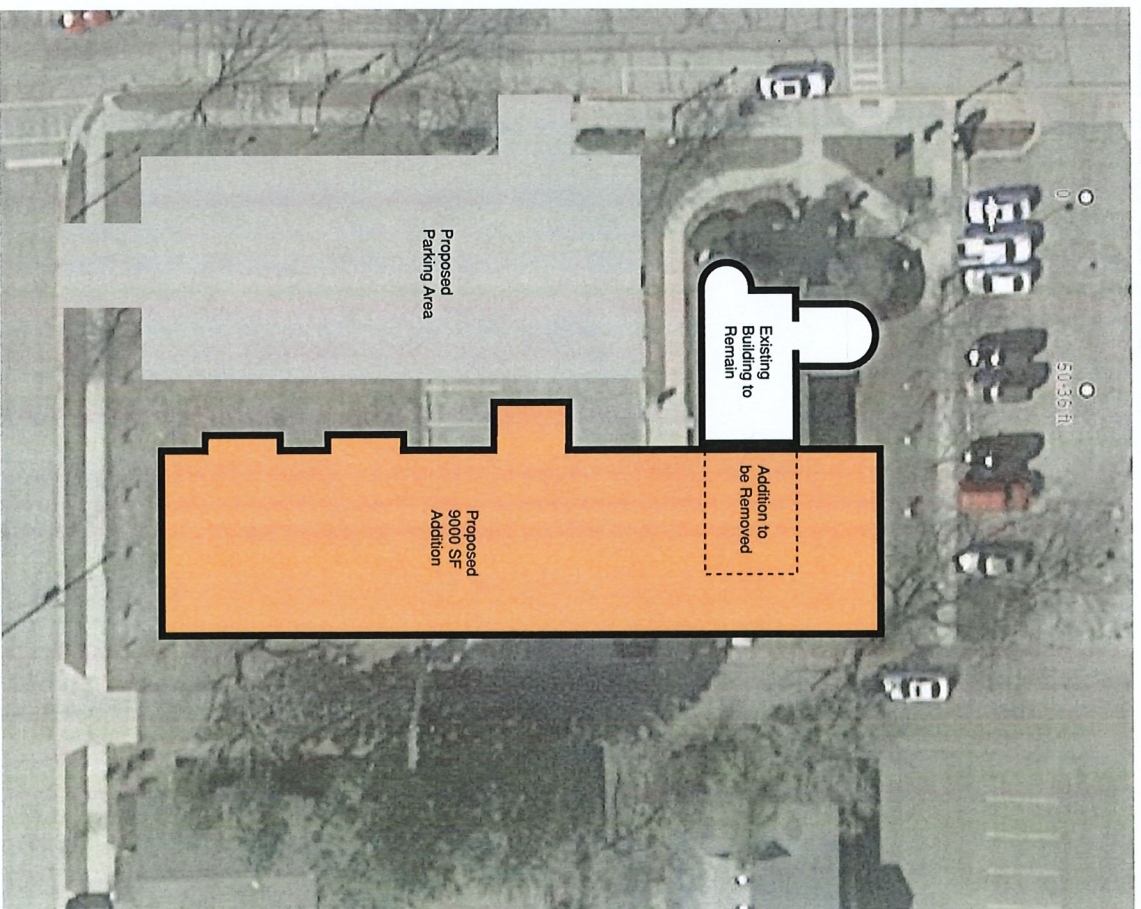
| <u>Space</u> | <u>Size</u> | <u>Finishes/ Special Considerations</u> |
|-----------------------------------|-------------|---|
| Lobby/Entry | 300 | barrier free access, foyer - purposeful entrance. Stroller storage |
| Information Desk/Check out | 200 | |
| Director Office | 150 | room for 2 quest chairs |
| Administrative/Offices/work space | 250 | Need computer server room, 2 work stations, work table, mailboxes, shelves, glass |
| Adult Collection | 1600 | improve site lines in book areas |
| Young Adults | 925 | 1 table & soft seating - main level - closer to staff area |
| Children's Area | 925 | soft seating/reading nook - need a desk area (2 stations) |
| Computer Area | 500 | 10 stations - open is a need, want would be a separate room |
| Meeting Rooms/Community Room | 1800 | potential operable partitions, kitchenette* (100 seated guests require 1500sf) |
| Study Rooms | 200 | minimum (2) study rooms |
| Group Restroom | 390 | 2 stall group restroom womens and mens and small janitor closet |
| Family Restroom | 60 | |
| Staff Restroom | 60 | minimum ADA size 54sf |
| Storage Space | 550 | holiday, supplies |
| Ref/Circ Desk | 80 | |
| Staff break room | 120 | microwave, fridge, sink |
| Book Sale Area | 50 | need dedicated space |
| Makerspace | 250 | sound equipment, 3d printer, etc. |
| Reading Room | 200 | doesn't need to be own room |
| Vending Area | 50 | coffee station, snack, pop |
| Mechanical | 150 | hot water heater, furnace (or RTU), electrical service, server area |
| TOTAL | 8810 | |

Special Note: increase parking by 5 spaces

EXISTING SITE



PROPOSED CONCEPT A



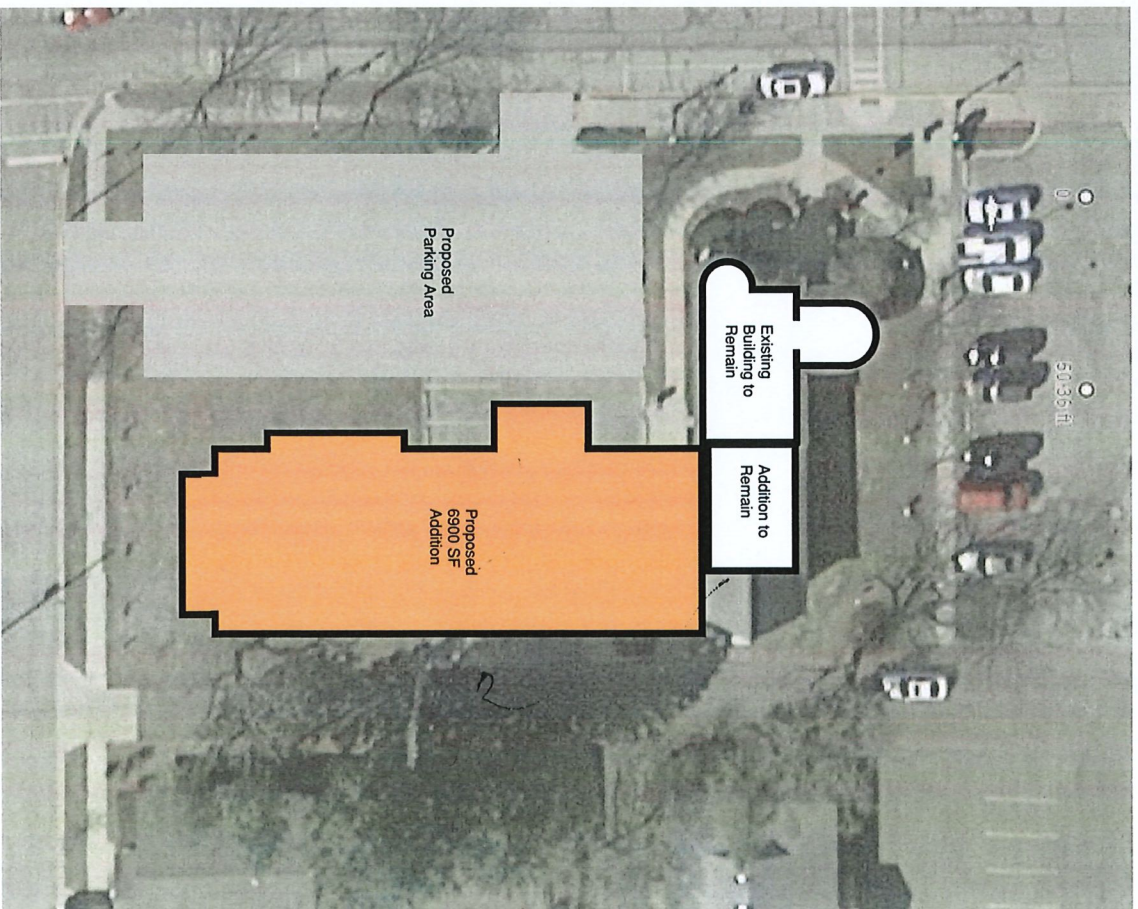
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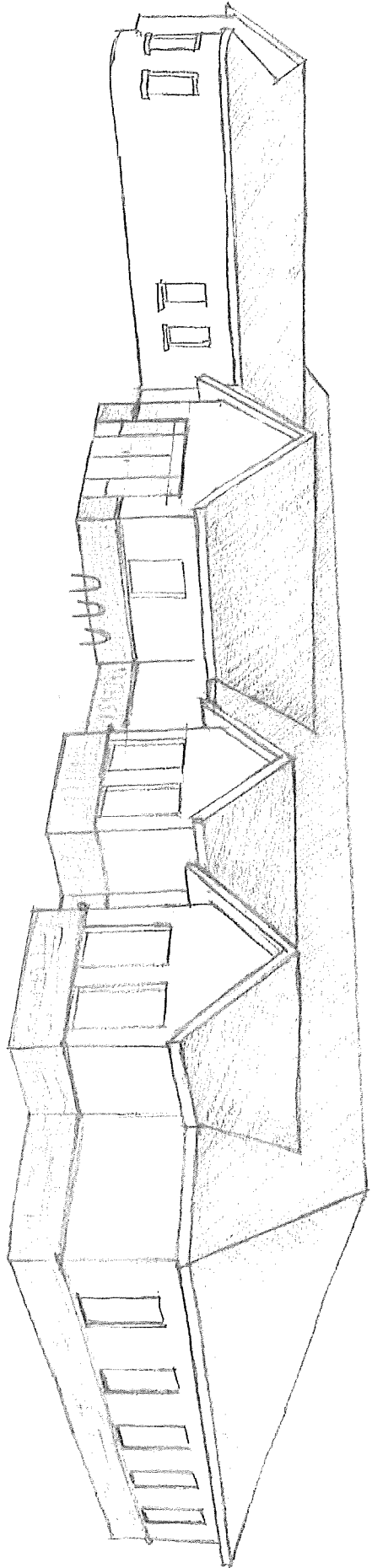
EXISTING SITE



PROPOSED CONCEPT B



20'-0"



HEMIKA DISTRICT LIBRARY
CONCEPT A



Concer
Michelle
Davis

Henika Library
Project Budget Summary
February 7, 2024

PK Split level 18500

| CONCEPT A | | 2/7/2024 Conceptual Budget | Item Notes |
|--------------------------------|--|----------------------------------|---|
| 001 | Historic Building Renovation - 1020 Sf | \$315,180 | full building renovation and restoration |
| 002 | Proposed Addition - 9000 Sf | <u>\$4,140,000</u> | remove 1970s addition and construct proposed addition |
| | <i>10,000</i> Trade Cost Total | \$4,455,180 | |
| TRIANGLE TOTAL ESTIMATE | | \$4,455,180 | |

9-10 months

| CONCEPT B | | Conceptual Budget | Item Notes |
|--------------------------------|--|----------------------|--|
| 001 | Historic Building Renovation - 1020 Sf | \$315,180 | full building renovation and restoration |
| 002 | Existing Addition Renovation - 2050 Sf | \$656,000 | full building renovation, conversion and restoration |
| 003 | Proposed Addition - 6900 Sf | <u>\$3,174,000</u> | save 1970s addition and construct proposed addition |
| | Trade Cost Total | \$4,145,180 | |
| TRIANGLE TOTAL ESTIMATE | | \$4,145,180 | |

rooftop heating/cooling

BUDGET ASSUMPTIONS

- 1: Assume minimum setbacks will allow for proposed addition footprint
- 2: Assume new parking lot will meet municipal parking requirements on site
- 3: Slab on grade construction, frost walls and frost footings
- 4: Wood wall and rafter framing, shingle roof
- 5: Cement board siding with masonry brick ledge veneer
- 6: Carpet tile and polished concrete flooring
- 7: Interior drywall partitions, glass, laminate cabinets
- 8: Full building fire suppression system
- 9: New electrical service
- 10: New sewer and water connections

Cierra Jade Bakovka 03:48 pm

When was the employer contribution for our account set to 18% and what was the rate before that, if any?

Brad 03:48 pm

Thank you for contacting MERS, my name is Brad. How can I assist you today?

Hi Cierra! I'd be happy to help you. Please confirm the following:

Your first and last name
Your work email address
The name of your municipality

Cierra Jade Bakovka 03:49 pm

Cierra Bakovka

cierra@henikalibrary.org

Henika District Library

Brad 03:50 pm

Thank you! I'm looking at the provisions here...

Cierra Jade Bakovka 03:50 pm

Thanks

Brad 03:54 pm

Here's what I'm seeing, but it's not lining up with your question...

Currently, your rate is 14.01%.

Last year it was 12.47

in 2022, it was 20.47, then 18.18% in 2021.

Brad 03:56 pm

Maybe that does still line up with your question. I was expecting to see a current 18% rate...

prior to that year, it was 13.93%

Brad 03:57 pm

The 18.18% rate was set at the end of 2019, effective in 2021.

Cierra Jade Bakovka 04:03 pm

To clarify, the rate was 13.93 originally, was changed to 18.1 in 2019 to be effective in 2021 (2 years later) and is now down 14.01?

Brad 04:03 pm

I am still looking over the account.
Thank you for your patience.

Cierra Jade Bakovka 04:04 pm

Do we know what caused the changes? Thanks, no rush

Brad 04:05 pm

A lot of factors come into play: how did the market do the year before? Did any retirees die? were any provisions added that might increase the liability (like a Cost of Living Adjustment)? etc.

Cierra Jade Bakovka 04:06 pm

Okay, so the library does not influence our contribution rate?

Brad 04:06 pm

So there probably isn't ever one thing that makes it go up or down.

Cierra Jade Bakovka 04:07 pm

As the employer, I mean

Brad 04:07 pm

To some degree, it could. If you choose some new provisions, or somehow increase any underfunded amount.

Cierra Jade Bakovka 04:08 pm

Okay, to further clarify to make sure I understand - the library reports wages and then you (MERS) determine our contribution percentage on a fluctuating basis relating, but not limited to how did the market do the year before? Did any retirees die? were any provisions added that might increase the liability (like a Cost of Living Adjustment)? etc.

Brad 04:10 pm

just as hypothetical examples, yes. If you're wanting a more comprehensive explanation, I would

probably have you talk to Veronica
(your regional manager).

Cierra Jade Bakovka 04:10 pm

Okie dokie, thank you. Can I have her email? I am information gathering for our finance committee at this point.

Brad 04:11 pm

And yes - the Annual Actuarial Valuation (AAV) that is compiled at every year-end (though not finalized until May or so the net year), determines the rate for the NEXT full year.

So the currently available AAVs give a 2022 computation, which is the 2024 contribution percentage.

Cierra Jade Bakovka 04:12 pm

Okay so our AAV for 2024 is 14.01?

Brad 04:13 pm

Veronica's email is vlabar@mersofmich.com

Well, technically the AAV is the whole 28 page booklet that tells you that the 2024 rate is 14.01%.

Cierra Jade Bakovka 04:14 pm

Perfect. Thanks Brad. I will reach out to Veronica if we have more questions.

Brad 04:14 pm

Okay, glad I could help! Anything else I can do for you?

Cierra Jade Bakovka 04:15 pm

No, that's it. Thanks

Brad 04:15 pm

Alright. Have a great night!

probably have you talk to Veronica
(your regional manager).

Cierra Jade Bakovka 04:10 pm

Okie dokie, thank you. Can I have her email? I am information gathering for our finance committee at this point.

Brad 04:11 pm

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Perfect. Thanks Brad. I will reach out to Veronica if we have more questions.

| Library | Contact | Medical -Employee | Medical - Spouse/Dependents | Dental/Vision - Employeee | Dental/Vision - Spouse/Depedents | STD/LTD | Other |
|---------------------------------|-------------------------------|---|--|--|------------------------------------|--|--|
| Milan Library | susan.wess@milanlibrary.org | Paid in full by library | Not offered | Paid in full by library | Not offered | Paid in full by library | |
| Cadillac Wexford Public Library | logant@cadillaclibrary.org | Paid in full by library + \$300 to HSA | Not offered | Paid in full by library | Not offered | Paid in full by library | life insurance for all of our employees. The pay out is small- \$ 10,000 but we pay the cost of the insurance in full. |
| Genesee District Library | agoldyn@thegd.org | Cap | Employees hired after 2001 have to cover the premium cost of their spouses and dependents for the health insurance | Paid in full by library | < Same | Paid in full by library | |
| Traverse Area District Library | dbaldwin@tadl.org | 90% for FT employees. We choose plans that remain under the PA 152 cap. PT employees we contribute 50%. | Employee responsible for full cost | Dental, we pay in full for FT employees, and pay 50% for PT employees. For Vision, we pay in full for those enrolled in single coverage (whether FT or PT) | employee responsible for full cost | Paid in full by library | |
| White Cloud Library | amy@whitecloudlibrary.org | Not offered | Not offered | Not offered | Not offered | Paid in full by library | |
| Capital Area District Libraries | laxtonj@cadl.org | Cap | < Same | we are self-funded for dental (maximum benefit is \$1000 per year per person) and charge benefited employees \$1 per month. | < Same | we offer this through UNUM but it's employee paid. | |
| Petoskey Library | vmeyerson@petoskeylibrary.org | Cap and provide three choices. Whatever amount below the cap that is not used for their selected plan goes into an HSA. | < Same | We have two choices, a less expensive that is paid in full or one with more benefit that staff can pay an added amount. | < Same | We pay fully for STD and do not offer LTD. | |
| Mount Clemens Public Library | brandon.b.bowman@gmail.com | Cap. We pay the full amount for the insurance, and then whatever is left over from the hardcap amount we divide up and place into the staff's HSA accounts. | < Same | Paid in full by library | < Same | Paid in full by library | |



DIFS

Employer Group Coverage

Employer Group Coverage

Employers with 50 or more employees are required to provide health coverage to employees and their dependents. Failure to offer affordable coverage may subject an employer to a tax penalty and allow the employee to obtain a tax credit in the Health Insurance Marketplace.

Employers with fewer than 50 employees are not required to provide health coverage. However, if they choose to offer health coverage, they may be eligible for a small business health care tax credit.

What You Should Know

The Employer Is the Policyholder

The employer is the master policyholder and the employees are certificate holders in an employer group health plan. The master policyholder:

- Negotiates the terms of the group policy with the health insurer.
- May reduce or change the plan's benefits.
- May increase the employees' premium contribution.
- Is permitted to switch health insurers.
- May allow the employees to choose from more than one plan.
- Can stop providing coverage entirely.

Employee Premiums

Coverage and rates may change annually. The employee contribution - what you pay - is determined by your employer.

Enrollment

Employees should be aware of the employer's group health coverage enrollment policies and deadlines. Employers can require up to a 90-day waiting period before new employees are eligible to enroll in coverage.

Employers have an annual open enrollment period for employees to apply, change, or disenroll in coverage. Any benefit changes or premium adjustments in the group plan are communicated to employees during the annual open enrollment period.

Special enrollment periods (SEPs) are allowed when certain life events occur (i.e., birth/adoption, marriage/divorce). Check with the employer's human resources department for more information about SEPs.

Benefits of Employer Group Health Plans

Employer group health plans typically offer:

- Limits on out-of-pocket maximums.
- No annual or lifetime dollar limits on essential health benefits.
- Free preventive services.
- Dependent coverage to age 26.
- Specific minimum benefits required by Michigan law.

More information regarding these requirements can be found under [Required Coverage](#).

Small Business Requirement

Employers with 50 or fewer employees are not required to provide health coverage; however, they are required to provide information about the Marketplace to their employees, whether they offer health coverage or not. If they offer health coverage to their employees, they must offer it to all eligible employees within 90 days of their employment start date.

Small business employers can purchase small group health and dental plans from a licensed insurance agent or directly from an insurance company.

Wellness Plans

Employers may offer wellness plans to encourage employee participation in a healthy behavior, maintenance, or improvement program. If a health insurer bases their health insurance rates on tobacco use, they must offer a wellness program for any group policy. For participation in the wellness plan, the insurer may provide the employees with:

- A rebate or reduction in premium.
- A reduction in co-payments, co-insurance and deductibles.
- A combination of these incentives.

Self-Funded Health Plans

If you work for a large employer or a government agency, there is a good chance your health plan is self-funded or self-insured. Self-funded plans may work best for employers that are large enough to offer substantial coverage and

pay expensive claims for medical services. As long as claims are being paid, you may not notice whether your employer has provided coverage through a self-funded plan.

Employers may contract with insurance companies and third-party administrators to manage a self-funded health plan.

DIFS does not have authority over employers or self-funded plans. DIFS may, however, have authority over the administrator of a self-funded plan. Self-funded plans fall under the authority of the United States Department of Labor's Employee Benefit Security Administration. They can be reached at www.dol.gov/agencies/ebsa or at 866-444-3272.

Losing Employer Group Coverage

If you lose group health coverage through your employer, you may have federal COBRA* rights, be eligible for Medicaid or the Healthy Michigan Plan, or can purchase health insurance through a special enrollment period. For more information on your options, see [Individual Coverage](#).

* COBRA - Consolidated Omnibus Reconciliation Act is a federal law that may give you the right to continue an employer group health plan on a temporary basis after you, your spouse, or your parent leaves an employer with 20 or more employees.



Employer Group Coverage

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Estimated 2024 Employer Benefits Cost Breakdown w/ cap

| <u>Medical</u> | | | | | | |
|-------------------|-------------------|--------------------|-------------|-----------------------|-----------------------|------------------|
| Employee | Monthly Rate | Yearly Cost | Yearly Cap | Total Employer Yearly | Total Employee Yearly | Employee Monthly |
| Cierra | \$547.48 | \$6,569.76 | \$7,399.47 | \$6,569.76 | \$0.00 | \$0.00 |
| Abby Family Total | \$1,094.96 | \$13,139.52 | \$15,474.60 | \$13,139.52 | \$0.00 | \$0.00 |
| Tori Family Total | \$2,001.54 | \$24,018.48 | \$20,180.43 | \$20,180.43 | \$3,838.05 | \$319.84 |
| Total | \$3,643.98 | \$43,727.76 | | \$39,889.71 | | |

| <u>Dental & Vision</u> | | |
|----------------------------|-----------------|-------------------|
| Employee | Monthly Rate | Yearly Cost |
| Cierra | \$29.81 | \$357.72 |
| Abby Family Total | \$59.62 | \$715.44 |
| Tori Family Total | \$130.58 | \$1,566.96 |
| Total | \$220.01 | \$2,640.12 |

| <u>STD</u> | | | | | |
|--------------|--------------|----------------|-------------------------|------------------|-----------------------|
| Employee | Monthly Rate | Monthly Salary | Monthly Covered Benefit | Employer Monthly | Total Employer Yearly |
| Cierra | 49% | \$4,375.00 | \$43.75 | \$21.44 | \$257.25 |
| Tori | 50% | \$3,217.00 | \$32.17 | \$16.09 | \$193.02 |
| Faith | 49% | \$3,192.00 | \$31.92 | \$15.64 | \$187.69 |
| Total | | | | \$53.16 | \$637.96 |

| <u>LTD</u> | | | | | |
|--------------|--------------|----------------|-------------------------|------------------|-----------------------|
| Employee | Monthly Rate | Monthly Salary | Monthly Covered Benefit | Employer Monthly | Total Employer Yearly |
| Cierra | 22% | \$4,375.00 | \$43.75 | \$9.63 | \$115.50 |
| Tori | 30% | \$3,217.00 | \$32.17 | \$9.65 | \$115.81 |
| Abby | 22% | \$3,192.00 | \$31.92 | \$7.02 | \$84.27 |
| Total | | | | \$26.30 | \$315.58 |

| <u>MERS</u> | | | | |
|--------------|--------------|----------------|-------------------|-----------------------|
| Employee | Monthly Rate | Monthly Salary | Employer Monthly | Total Employer Yearly |
| Cierra | 14.01% | \$4,375.00 | \$612.94 | \$7,355.25 |
| Tori | 14.01% | \$3,217.00 | \$450.70 | \$5,408.42 |
| Abby | 14.01% | \$3,192.00 | \$447.20 | \$5,366.39 |
| Total | | | \$1,063.64 | \$12,763.67 |

| <u>Total Yearly Employer Contribution by Employee</u> | | | | | |
|---|-------------|-----------------|-----------|--------------|--------------------|
| | Medical | Dental & Vision | LTD & STD | MERS | Total |
| Cierra | \$6,569.76 | \$357.72 | \$372.75 | \$7,355.25 | \$14,655.48 |
| Tori | \$20,180.43 | \$1,566.96 | \$308.83 | \$5,408.42 | \$27,464.64 |
| Abby | \$13,139.52 | \$715.44 | \$271.96 | \$5,366.39 | \$19,493.31 |
| | | | | Total | \$61,613.43 |