

**Macatawa Area Express Transportation Authority**  
**Meeting Minutes**  
**Monday, March 24th, 2025**  
**Approved Minutes**

The Macatawa Area Express Transportation Authority Board met at 3:30 pm in the training room at the MAX Operations building – 11660 Greenway Dr., Holland, MI 49424

**Members Present:** Chair Russ TeSlaa, Treasurer Jason Latham; Board Members Doug Becker, Margo Walters, Kristin Myers, Abbe Baas, Nathan Bocks, Kevin Klynstra,

**Staff Present:** Ryan Novotney, Beth Higgs, Lynn McCammon, Sandra Korhorn, Kait Riegling, Robert Ghansah, Juana Lopez and Tawney Valderas

**3.24.1            Approval of the Minutes for February Board Meetings**

Approved motion made by Latham, supported by Bocks.

**3.24.2            Public Comment**

There was no public comment.

**3.24.3            Marketing Committee**

Higgs reported that there is nothing new to report on. As previously MAX is looking into marketing firms to assist in launching new Fixed Routes.

**3.24.4            Executive Committee**

**3.24.4a           *Policy 307 Paid Time Off (PTO) Revisions - Action***

Higgs presented that on February 21, 2025, the Michigan Legislature passed House Bill 4002, amending the Earned Sick Time Act (ESTA). In response, MAX staff collaborated closely with our labor attorney to ensure compliance with the updated legislation by revising the Paid Time Off (PTO) policy. While our current policy already includes provisions for paid sick time in alignment with ESTA, several adjustments have been made to the PTO structure.

The annual PTO for part-time employees has been increased from 24 to 40 hours, earned on the anniversary of their hire date. The policy for new hires has been modified by removing the previous provision of PTO accrual at six months. Instead, new employees with 0 to 1 year of service will now receive 10 days, or 80 hours, of PTO at the start of their employment, to be used after completing 120 days of service. Hourly employees with at least one year of service will now receive 11 days of PTO annually, while salaried employees with the same tenure will receive 13 days. No changes have been made to PTO accrual for employees with two or more years of service.

In addition to these updates, the revised policy removes prior references to Paid Medical Leave and now fully incorporates language from the Earned Sick Time Act. These changes ensure our policy remains compliant with state law and reflects current best practices. Board approval is requested for the proposed revisions to Policy 307 – Paid Time Off (PTO), as part of MAX's efforts to comply with the amended Michigan Earned Sick Time Act.

Walters mentioned the policy should include that we will reimburse doctors notes if charged to the employee. After revision Bocks made the motion to approve, supported by Latham. Motion carried unanimously.

#### **3.24.4b Policy 301 Employee Benefits Revision - Action**

On February 21, 2025, the Michigan Legislature passed House Bill 4002, amending the Earned Sick Time Act (ESTA). In response, MAX updated its policies to ensure compliance with the new law. MAX Policy 301: Employee Benefits was revised to replace the Paid Medical Leave Act with the Michigan Earned Sick Time Act (ESTA), integrating it with the Paid Time Off (PTO) policy to align with the updated requirements. Action Request MAX staff seeks Board approval for the revisions to Policy 301 Employee Benefits, in compliance with the Michigan Earned Time Off Act. Motion to approve was made by Bocks, supported by Walters. Motion was carried unanimously.

#### **3.24.4c Policy 503 Attendance & Punctuality Revisions**

On February 21, 2025, the Michigan Legislature passed House Bill 4002, amending the Earned Sick Time Act (ESTA). In response, MAX updated its policies to ensure compliance with the new law. MAX Policy 503: Attendance & Punctuality was revised with language referencing the Michigan Earned Sick Time Act (ESTA), integrating it with the Paid Time Off (PTO) policy to align with the updated requirements. MAX staff seeks Board approval for the revisions to Policy 503 Attendance & Punctuality, in compliance with the Michigan Earned Time Off Act. Motion to approve was made by Bocks, supported by Latham. Motion was carried unanimously

#### **3.24.4d Policy 504 Attendance for Bus Operators**

On February 21, 2025, the Michigan Legislature passed House Bill 4002, amending the Earned Sick Time Act (ESTA). In response, MAX updated its policies to ensure compliance with the new law. MAX Policy 504: Attendance Policy for Bus Operators was revised to replace the Paid Medical Leave Act with the Michigan Earned Sick Time Act (ESTA), integrating it with the Paid Time Off (PTO) policy to align with the updated requirements. Language was revised throughout this policy to comply with the ESTA as highlighted in yellow on the revised policy presented today. MAX staff seeks Board approval for the revisions to Policy 504 Attendance Policy for Bus Operators, in compliance with the Michigan Earned Time Off Act. Walters brought to attention that this policy will also need to be amended to support previous amendment in Policy 307. After revision Bocks made the motion to approve, supported by Klynstra. Motion carried unanimously.

**3.24.4e****Employee Performance Evaluation Process Revisions - Action**

In September 2024, the Board approved a revision to the employee Performance Evaluation process to include an annual lump sum bonus of up to 3%, contingent upon achievement of individual goals, in addition to the standard 3% merit/cost of living increase. While this initiative was intended to further recognize and reward employee performance, staff has evaluated its long-term sustainability and feasibility across the organization. Given the financial impact on the budget and the administrative challenges associated with managing individualized goals—particularly for managers with large teams—staff recommends discontinuing the bonus payout and removal of the associated goal-setting requirement from the performance evaluation process. Concerns have also been raised regarding fairness and equity, especially for employees whose roles do not readily align with goal-setting beyond their core duties.

As an alternative, and when financially feasible, staff proposes continuing a practice used in prior years: offering an annual appreciation payout of \$200 to all employees. The estimated budget impact for this recognition effort would be approximately \$15,000 and would be implemented as budget conditions allow. MAX is requesting to remove the additional 3% annual lump sum bonus from the performance evaluation process, along with the associated employee goal requirements. Walters and Bocks expressed concern on if employees knew that this would be changing and expectations of transparency. Higgs and TeSlaa ensured that the few employees that this policy was rolled out for do know of the change and have been compensated accordingly. After clarification motion to approve was made by Bocks, supported by Walters. Motion was carried unanimously

**3.24.4f****Procurement Policy Manual Revision 16 - Action**

As part of the fiscal year 2024 third-party financial audit conducted by Rehmann, it was identified that multiple invoices had not been properly approved or recorded by year-end. This resulted in initial misstatements in the accounting records, with amounts deemed material to the financial statements. Consequently, this finding was classified as a deficiency in internal processes, prompting a request from the auditors for a formal corrective action plan. The auditor recommended that MAX review its procurement policies and ensure that appropriate cash disbursement procedures are in place. Specifically, they advised that all invoices must be properly approved, recorded in the accounting system, and processed in a timely manner.

In response, MAX staff revised the Procurement Policy Manual to incorporate additional procedures designed to strengthen internal controls over invoice processing and approval. These updates are detailed in the attached document and outlined on page 10 of the revised Procurement Policy Manual presented today. Submission of the corrective action plan allowed the audit to be finalized and prepared for presentation to the Board at the April meeting. MAX staff respectfully requests Board approval of the revised Procurement Policy Manual to address the FY2024 financial audit findings and ensure compliance with auditor recommendations. Motion to approve was made by Latham, supported by Bocks. Motion was carried unanimously

**3.24.4h****Ridership Reports**

There was no discussion.

**3.24.4i**

**Financial Reports**

There was no discussion.

**3.24.4j**

**Expenditure Reports**

There was no discussion.

**Directors Report**

Higgs expressed excitement for the transition of new Executive Director Ryan Novotney. Novotney covered our recent population change in the City of Holland. Although it is exciting to grow our community, with MDOT FY2026 MAX enters a new bracket for reimbursement. Novotney touched on needing to tighten and prepare for this budget hit of roughly one million dollars. He warned it could be a slower year on expansion at this time. However, he plans to work with City Finance and the board to be well prepared for this challenge.

**3.24.5**

**Adjournment**

A motion was made by Bocks and supported by Laatham to adjourn the meeting. Motion passed unanimously.