

City of Frankenmuth

Michigan's Little Bavaria

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To: State Representative Matthew Bierlein

From: Richelle Jimenez, Treasurer/Assistant City Manager 

Date: January 14, 2025

Representative Bierlein,

The City of Frankenmuth has been patiently waiting to hear the final ruling and approval of the new Earned Sick Time/Minimum Wage Legislation before we make any changes to our personnel regulations and employee benefit package. We are hopeful that voices of reason will be heard on how this will negatively impact so many businesses and municipalities such as ours.

Due to the local economy and employee market, we have made great strides in improving employee benefits at a rate that we are able to financially sustain to attract new employees. We are not unique in regards to our size (36 full time employees, including our police force), or abilities. However, we find ourselves struggling finding a way to make these new requirements work without increasing our liabilities, as well as time required to properly track the sick time given for part time, seasonal, and temporary staff.

In regards to increasing our liability, the City currently has legacy employees who earn less time than the new minimums. The reason that giving them more time would be an issue, is that they are able to be paid out for their sick time upon retirement/separation from the City. This carries a huge long-term liability, of which we have to record and keep track of for auditing and financial forecasting. Increasing their time given will increase the City's financial burden for the unforeseeable future. Employees hired after 2007 are given more than the minimum sick hours, but they are not granted sick time payouts.

Secondly, the City has one employee that manages our bi-weekly payroll, as well as our bi-weekly vendor payments, along with other office duties. We do not have a software system that is capable of tracking the required accrual of time as described in the current legislation. In order to track the proposed time, with the proposed hours, manual entry and calculations will have to be done each payroll. Though it may seem simple to give just one hour of sick time to an employee every 30 hours, there is a very time extensive tracking that would have to be done to ensure we are doing it properly with accuracy and retention.

The City of Frankenmuth requests that revisions be made to account for the effects that will hinder us as a local municipality, but also so many small businesses that don't have the time and resources that we have.