



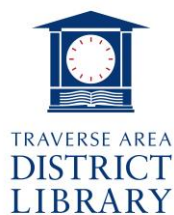
## AGENDA

Board of Trustees Regular Meeting  
Thursday, June 15, 2023 at 3:00pm  
Fife Lake Public Library  
77 Lakecrest Ln., Fife Lake, MI 49633

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1. **Call to Order**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
4. **Public Comment\***
5. **Consent Agenda**
  - a. Approval of Minutes – Regular Meeting of May 18, 2023
  - b. Department Reports
  - c. Finance and Facilities Committee Report – June 13, 2023
    1. 2022 Audit
  - d. Policy and Personnel Committee Report – June 6, 2023
    1. Policy Revision: 3.3 Library of Things Policy
    2. New Policy: 4.10 Security Camera Policy
    3. Updated Employee Handbook
  - e. Financial Report – Narrative | Budget Summary
  - f. Member Library Communications – FLPL | IPL | PCL
  - g. Friends of TADL Report – Jud Barclay, President
  - h. Correspondence
6. **Items Removed from the Consent Calendar**
7. **Director Report**
8. **Old Business**
  - a. Millage Update
  - b. Bathroom Update and RFP Request
9. **New Business**
  - a. MACC Grant Application
10. **Public Comment\***
11. **Trustee Comment**
12. **Closed Session (if needed)**
13. **Adjournment**

\* If you wish to speak during the Public Comment section of the meeting, please (1) wait until you are recognized; (2) approach the podium and use the microphone; (3) state your name and the county and township or city in which you reside; and (4) limit your comments to 3 minutes. Please sign in at the podium.



## Board of Trustees Regular Meeting MINUTES

Thursday, May 18, 2023 at 3:00pm  
McGuire Community Room  
610 Woodmere Ave., Traverse City, MI 49686

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### 1. **Call to Order**

With a quorum of trustees in attendance, the meeting was called to order by Vice President Pakieser at 3:00pm. Present were: Pakieser (Vice President); Sullivan (Treasurer); Vickery, Wescott, Jones, and Deyo (Trustees). Odgers (President, arrived at 3:02). Also present were: Howard (Director); Morey, Baldwin, and Carpenter (Staff).

### 2. **Pledge of Allegiance**

All members in attendance recited the Pledge of Allegiance to the Flag of the United States of America.

### 3. **Re-appointment of Trustee Vickery and Oath of Office**

Secretary Deyo administered the Oath of Office to Trustee Vickery for his re-appointment by the City Commission of the City of Traverse City. Vickery accepted and affirmed his Oath of Office.

Vice President Pakieser turned the meeting over to President Odgers upon her arrival.

### 4. **Approval of the Agenda**

Howard requested an amendment to the agenda, adding New Business item c, Bibliotheca Self-check Expenditure approval, and inserting Robert's Rule's Discussion as item 11, with the remaining items following in succession. It was MOVED by Sullivan, SUPPORTED by Wescott, to approve the agenda as amended. Motion CARRIED.

### 5. **Public Comment**

President Odgers opened the floor for public comment. There was none.

### 6. **Presentation: TADL Millage ~ Shirley Bruursema, Millage Queen**

Bruursema briefly conversed with the board regarding the direction they planned for TADL's upcoming millage. Overall Bruursema believes that TADL is highly regarded in its community and the best thing TADL can do heading into the millage is to keep providing innovative and excellent services. Based on her 20+ years of experience in passing 145 library millages, she did not recommend a February ballot request which the board was primarily considering and reassured the board that if the millage did not pass in the August 2024 election there would still be time for a November election request. She discussed the importance of a Yes Committee for a winning millage, and who can and should participate in that committee. Board members can be on the Yes Committee. The Yes Committee is the library's advocate who can ask for a Yes vote, whereas library staff can only provide factual information. Library staff can however, participate in the millage campaign as long as it is not on library time. Following the discussion Bruursema suggested the board finalize the ballot date, get a Yes committee started soon, and then determine the amount of the request.

### 7. **Consent Agenda**

- a. *Approval of Minutes - Regular Meeting of April 20, 2023*

- b. *Department Reports*
- c. *Finance and Facilities Committee Report – May 2, 2023*
- d. *Policy and Personnel Committee Report – No May Meeting*
- e. *Financial Report – Narrative | Expenses | Revenues*
- f. *Member Library Communications – FLPL | IPL | PCL*
- g. *Friends of TADL Report – Donna Hornberger, President*
- h. *Correspondence*

Jones made a request to remove items b and f from the consent agenda for further discussion.

It was MOVED by Jones, SUPPORTED by Vickery, to accept and affirm receipt of the consent calendar information, with the removal of items b and f for discussion. Motion CARRIED.

#### 8. **Items Removed from the Consent Calendar**

Jones asked Boulter to expand on facility items. Boulter noted that he was researching an e-bike book bike option and noted that the recent risk assessment inspection completed by the insurance company option is part of the service. TADL’s facilities received good marks and some soft recommendations were made to reduce liabilities, such as reflector tape, ensuring the stairwells aren’t obstructed, and adding CO2 sensors. East Bay Branch also needs to increase the number of electrical outlets to meet the increase in tech needs.

Vicki Shurly, Director of Peninsula Community Library (PCL), reported that they have spent 8 months with a faulty lighting system in which the lights wouldn’t turn off, causing high electricity bills. The problem had been identified and will be fixed soon. PCL is again collaborating with University of Michigan’s Michigan Medical lecture series presented by world renowned physicians. PCL has been busy with non-traditional use of the library. Shurly thanked TADL for the services provided that make their small community library a world class library.

Kendall Spratt, Director of Fife Lake Public Library (FLPL), reported that the FLPL Board of Trustees has approved moving forward with a 2<sup>nd</sup> story and basement addition to the library. The top floor would hold a community room and the basement would provide much needed storage. Fundraising has begun.

#### 9. **Director Report**

Howard confirmed her written report and provided the following comments:

- Behavioral incident suspensions at TADL have fallen 94% since last year. Howard will be writing an opinion editorial for the Record Eagle to addresses the community effort and positive changes that have happened since the board’s call to action.
- A Rotary Changemaker Event was held at TADL, a series by the Rotary intended to connect people in the community. Staff members showcased TADL’s bookmobile and 3D printer.
- TADL is again, working with NorthEd, to provide job preparation opportunities to developmentally delayed students who want to work in the summer. This continues to be a successful partnership.
- Howard and Denby extended outreach services to The Women’s Resource Center, where women in the shelter can get a library card to check out three items at a time and use TADL’s digital resources for three months.
- Howard thanked Baldwin, TADL’s new Finance and Human Resources Manager, for a fantastic job on her first TADL audit. Results from the auditors will be brought the Finance and Facilities Committee in June.

Deyo inquired about funding alternatives for Hoopla. Howard noted that in order to help control costs for the pay-per-item-use format through Hoopla, the checkout limit was reduced by one item per month and many items will be, instead, ordered through OverDrive, a resource where TADL can control the cost better.

10. **New Business**

a. *Smart Building Software Approval*

Howard noted that TADL has been running on the same building control system for 25 years and needs to be updated. Boulter, briefly discussed the three quotes received and after analysis recommended Smart Building Niagra N4 JACE. It was MOVED by Jones, SUPPORTED by Pakieser and Sullivan, to purchase the Smart Building Niagra N4 JACE building management at a cost not to exceed \$30,000 as presented.

A roll call vote was taken with the following results:

Wescott – aye	Jones – aye	Vickery – aye	
Deyo – aye	Pakieser – aye	Odgers – aye	Sullivan – aye

Motion CARRIED with 7aye.

b. *October Board Meeting – Date Change Discussion*

Howard noted that she will be attending the Michigan Library Association Conference, as part of the MLA Board of Directors. Since it conflicts with the date of the October TADL board meeting she asked the board if they would like to hold the meeting in her absence or move the date. Jones, and other trustees, agreed that they would continue the meeting on its regular day with Morey filling in for Howard.

c. *Bibliotheca Self-check Expenditure*

Howard introduced a 5-year contract with Bibliotheca for self-check terminals that also results in an annual payment that exceeds her \$25,000 spending limit without board approval. Morey, Assistant Director for Technology, noted that Bibliotheca has offered TADL an incentivized leasing program as the company does not want to continue to support old equipment and that the directors of Interlochen Public Library (IPL) and Fife Lake Public Library (FLPL) have each asked for a terminal at their respective libraries. Morey also explained the benefits for future budgeting and advantage of having TADL Main, IPL, and FLPL all on the same model and system. It was MOVED by Jones, SUPPORTED by Wescott, to approve the expenditure of not more than \$135,000 for the 5-year contract and annual payments with Bibliotheca for self-check replacement terminals at the Main Library and two new self-check terminals for installation at Interlochen Public Library and Fife Lake Public Library. A roll call vote was taken with the following results:

Wescott – aye	Jones – aye	Vickery – aye	
Deyo – aye	Pakieser – aye	Odgers – aye	Sullivan – aye

Motion CARRIED with 7aye.

11. **Robert’s Rules Discussion**

President Odgers referenced a ‘call to vote’ at the last board meeting in which the debate did not immediately end and then go to a vote as it should have according to Robert’s Rules. She had felt that some trustees still needed to comment and apologized for allowing the discussion to continue before votes were cast. Howard provided a simple cheat sheet of Robert’s Rules for trustees for reference or to keep with them during meetings in an effort to keep the board in line with Robert’s Rules.

12. **Public Comment**

President Odgers opened the floor for public comment. The following people addressed the board: Betsy Myers, TADL Reference Librarian, commented that since she has much experience riding the book bike and the e-assist would be appreciated by her and likely by other staff who ride the book bike for outreach events since the bike is very heavy loaded with books.

13. **Trustee Comment**

Congratulations to Howard for her appointment to the Michigan Library Association Board of Directors.

Pakieser appreciated Bruursema's millage presentation and would like to send a thank you from the board.

14. **Closed Session (if needed)**

A closed session was not needed.

15. **Adjournment**

With a motion to adjourn by Wescott, supported by Vickery, President Odgers adjourned the meeting at 4:3pm.

Respectfully submitted,

Approved by board vote on June 15, 2023

V. Carpenter, Recording Secretary

P. Deyo, Board Secretary



**Departmental Reports**  
for the month of May  
(June 15, 2023 Board Meeting)

**Adult Services**

- In May, the library celebrated Asian American and Pacific Islander Heritage month by again being a partner with the group who planned and presented two local, AAPI themed film and food events. On [May 9th](#) and 15th our community gathered, ate food provided by local asian restaurants, and learned about the struggles and history of our AAPI neighbors in MI. The culmination of our events was the attendance of the family from the movie *Bad Axe* joining us for the screening and discussion afterwards with 150 TC area residents at the Milliken Theater at the Dennon Museum. These events are an important way to increase diversity and acceptance in our community and the library looks forward to participating again next year. (*Purposeful Partnerships*)
- Partnership Highlights (*Purposeful Partnerships*):
  - Melissa McKenna and TADL Marketing Manager, Heather Brady, attended the Grand Traverse Band of Ottawa and Chippewa Indians Missing & Murdered Indigenous Peoples Awareness Day Ceremony on May 5th.
  - SCORE, GTAGS and [TAHS](#) held their usual monthly programs at the library.
- In May, the following programs were held (in addition to those listed above):
  - In honor of Mental Health Awareness Month, two sessions on mindfulness were offered by a local coach. (*Inclusive Space, Purposeful Partnerships*)
  - Once again, the Morel King packed the McGuire Room with 80 people wanting to learn more about finding those elusive edible treasures.
  - After several requests from patrons, [Books to Movies](#), TADL's regular film program returned this month from its pandemic hiatus!
  - We held two author programs this month - one with the authors of [The Long March Home](#) and a second with dystopian sci fi author [Jeff Vande Zande](#).
  - A Titanic historian and enthusiast gave a talk entitled "Titanic: Survivors, Victims, and Legacies; The Rest of the Story" about what happened to passengers and crew after they were rescued from the sinking ship.
  - Our two regular book discussion groups - [Books & Brewskis](#) (*Innovative Engagement*) and [Queer Tales](#) (*Inclusive Space*) both met this month.
  - TADL Stitches and Tai Chi continue to meet regularly.
- May Adult Services Statistics:
  - Programs - 21
  - Attendance - 497
  - Questions Answered - 1902
  - Notary Signatures - 10
  - Proctored Exams - 1

- Craft Kits Distributed - 50 (Felt Flowers)
- Volunteer Hours - 8+

### **Local History Collection**

- Interviews were conducted and two individuals were offered and accepted the Petertyl Internship positions, which are mostly funded by our partnership with Traverse Area Historical Society. They will be working in the LHC during the month of July for 40 hours each.
- Reference staff answered 41 local history questions over the course of the month.

Respectfully Submitted,  
Melissa McKenna  
Head of Adult Services

### **Youth Services**

Youth Services finished our regular Storytime and afterschool programming on May 19th so we could concentrate on upcoming school visits to promote the Summer Library Challenge and to put more energy into planning summer programming, crafts and activities. In total, we held 15 Early Literacy programs for 163 patrons. In addition, we held 19 afterschool and weekend programs for 382 patrons, including a Comic Con Storytime at the Grand Traverse Resort with staff members Miss Courtnei (Elsa) and Mr. Andy (Batman).

Youth Services librarians Mr. Andy and Miss Courtnei visited schools in a variety of ways to promote the Summer Library Challenge, including the traditional all school assembly, divided school (upper elementary and lower elementary) assemblies, classroom and library visits, classroom visits to TADL and even made [a short video presentation](#) at one of the TCAPS' locations. They were very hip to the groovy theme and dressed in 70s style to promote our "All Together Now" theme. In total, we were able to visit in person with 1,292 students and also share our SLC video with 1,167 more students, as well as get Summer Library Challenge bookmarks in the hands of over 4,000 students (additional visits and video promotion are being held in June). This was the first time we visited schools since 2019 and it was great to get back in the groove of these. Looking forward to more in 2024!

Desk stats were down for the month as weather warmed and we hosted less in-person programs. In total, we answered 817 questions, with 731 walk-in, 85 phone, and 1 digital. These are 21% lower than April 2023 (warmer weather and less programming) and 37% lower than May 2022 (we hosted 1st grade visits late last year).

We're happy for the short break before summer and excited for all of the new faces and busy bodies in Youth Services during the Summer Library Challenge!

Respectfully submitted,  
Andy Schuck  
Youth Services

### **Teen Services**

TADL has been selected as one of 58 libraries nationwide to take part in the Great Stories Club, a reading and discussion program for underserved teens. This competitive grant is offered by the American Library Association (ALA) with support from the National Endowment for the Humanities (NEH).

As part of the Great Stories Club, I will work with a group of teens and the Traverse City High School to read and discuss stories that explore questions of race, equity, identity and history. Book discussions will be led by an experienced librarian in cooperation with the ELA teacher at the high school.

Linda Smith  
Head of Teen Services

### **Sight & Sound**

#### **TADL Meeting Room Stats MAY 2023**

Total: **128**

TADL meetings: **17**

Personal/Outside Group Meetings: **111**

Paid Meetings: **7**

Unpaid Meetings: **121**

Walk-ins: **17**

Advance Reservation: **111**

#### **Number of Meetings by Room MAY 2023**

McGuire Room: **32**

Thirlby Room: **53**

Study Room D: **43**

### **Circulation**

The Circulation department is very happy to welcome Amber Stine to the department! Amber started with the library as a page for Adult Services.

#### *May Circulation Numbers*

New patron accounts created: 233 (vs 245 last year - last year we had class visits in May, but they will be in June this year!)

Curbside pickups for May 2023: 10

Notary Public Service requests filled: 8

Circulation Statistics for MeLCat, May 2023:

- TADL items sent to borrowing institutions: 1199 (vs 1215 last year)
- TADL items received from lending institutions: 2107 (vs 1742 last year)

Respectfully Submitted,  
Josh Denby



## **Marketing and Communications**

May is the peak of the marketing year calendar, with many events and items to prepare in advance of summer kickoff. We celebrated Preservation Week (**Targeted Outreach**), installed the Veterans Art Show (along with the Soldiers' Table) (**Innovative Engagement/Targeted Outreach**), and I was honored to attend an awareness day event in Peshawbestown (**Targeted Outreach**). Look for a future item on a Three Sisters/GTA Children's Garden planting related to this visit.

I created a newsletter for the Talking Book Library and coordinated some volunteer work bees for the newsletter and a few other projects. We had a joint promotion with Denno's for AAPI Month (**Purposeful Partnerships**), welcomed Rotary (**Purposeful Partnerships**) for an early morning Coffee with Changemakers event (a great chance for this group to see the bookmobile), and I worked with Michele on some grant applications for restroom upgrades (**Inclusive Space**). We ended the month with another funding presentation opportunity and made some great new connections.



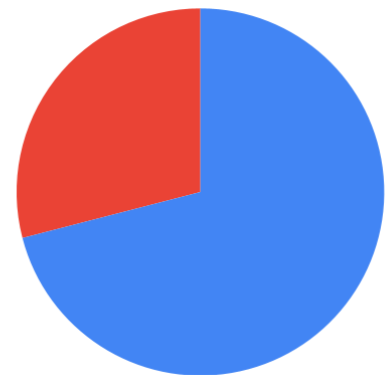
The photo shows our Rotary event setup, with the bookmobile, our fun new tent, and coordinating (windproof) tablecover.

I also created some new literature with Josh for the Women's Resource Center to support Michele's collaborative discussion with the WRC (**all SP categories**). The project included inexpensive disposable/recyclable brochure holders for ease of use. I ended the month with an expedited/early newsletter to promote all the events scheduled for the first weekend of June. Shirts and bookmarks started going out to school visits (**Targeted Outreach/Purposeful Partnerships**) and we're looking ahead to a very busy June!

**Press** - We continue to get good consistent coverage in the press for our events and news. May stats are at right, we were mentioned in a publication or on the news (online and other) 22 of the 31 days.

**Website** - 12,386 users; 47,240 page views  
Most popular pages include the event calendar, locations and hours, upcoming events.

● Days Mentioned  
● Other Days



Heather Brady  
Marketing & Communications Manager

## **Human Resources**

The following is a summary of employment changes for the month of May '23.

### *New Employees:*



**Mackenzie Vance**  
PT Page, Sight & Sound

### *Employee Position Transfers:*



**Amber Stine**  
FT Library Assistant, Circulation  
*Previously: PT Page, Adult Services*

## **Facilities**

- Researched Building Control Systems, collated quotes
- Researched ADA compliance for bathroom project
- Implemented insurance adjuster recommendations
- Coordinated multiple landscape contractors
- Repaired staff entry door, adjusted backswing
- Assembled Bookmobile tool kit
- Installed Bookmobile parking sign
- Upgraded lighting for Reference display case
- Recycled old aluminum blinds at Padnos
- Organized and prepared for Library Surplus Yard Sale

Respectfully submitted,  
Bret R Boulter, Facilities Manager

## **TADL Talking Book Library**

I attended the Midland Conference in Lansing. It was very informative and I was able to meet with a few people from the National Library Service in Washington D.C.

The Tuesday @ Two book group read, "Olive, Again" by Elizaeth Strout.

I now take the bookmobile to 8 outreaches a month. Pace North is the newest one.

Notary requests filled-9

I offered a chair yoga program led by Janet Weaver. 8 people attended and expressed interest in doing it again.

I helped Youth services at the Cherry Capital Comic Con. It was fun and I got to see Batman do the Tooty Ta dance!

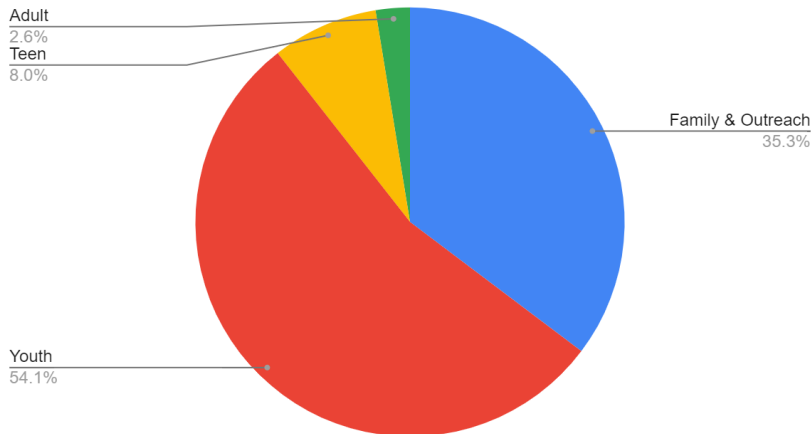
Anita Chouinard  
Talking Book Library Manager

**Kingsley Branch Library**

A fun fact about Kingsley is that the average age of our residents is 35.2 years. We have a lot of children in our service area! Our program numbers reflect our demographics. In an average month, 70 percent of our programs are geared toward pre-readers, youth, and families, with an average of 35 people per youth and family program. We partner often with schools and education groups to meet the needs of all children we serve. Below is a quick summary of KBL programs for January-May 2023 as a chart and graph:

Programming Jan-May 2023		
Age Group	Number of Programs	Program Attendance
Family & Outreach	14	987
Youth	56	1515
Teen	17	224
Adult	6	72

KBL Program Attendance 2023



Respectfully submitted,  
Amy Barritt  
Branch Manager

## AUDIT-RELATED COMMUNICATIONS

To the Board of Trustees  
Traverse Area District Library

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the *Traverse Area District Library* (the "Library") for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 10, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### ***Compliance and Internal Controls***

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

In planning and performing our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

We have issued our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* thereon dated \_\_\_\_\_.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

*A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in internal control to be a *significant deficiency*:

#### *Preparation of Financial Statements*

The preparation of financial statements is the responsibility of Library management and requires internal controls over both (1) recording, processing and summarizing financial data (i.e., maintaining internal books and records) and (2) reporting this financial data in the form of financial statements, including all related note disclosures (i.e., external financial reporting). The Library has historically relied on their independent external auditors to assist with the preparation of the financial statements and related note disclosures as part of its external financial reporting process. Accordingly, the Library's ability to adjust its books and records and prepare financial statements is based, in part, on its reliance on its external auditors who cannot, by definition, be considered a part of the Library's internal controls.

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Library are described in Note A of the financial statements. The Library adopted the provisions of GASB Statement No. 87, *Leases*, for the year ended December 31, 2022, which established criteria for identifying, and requiring recognition of, certain lease assets and liabilities for leases that previously were classified as operating leases. The application of existing policies was not changed in the year. We noted no transactions entered into by the Library during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Net pension liability based on information provided by MERS.
- Management's estimate of depreciation expense was based on useful lives of capital assets per Internal Revenue Service guidelines.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Pension Plan
- Commitments and Contingencies

#### ***No Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Below is a summary of uncorrected misstatements and corrected adjustments of the financial statements. Management has determined that the effects of the uncorrected misstatement is immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

#### ***Corrected Adjustments***

- Adjust General Fund taxes receivable and deferred taxes to actual (increase of approximately \$225,000).

#### ***No Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated \_\_\_\_\_.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Library's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Library's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

***Subscription Based Technology Arrangements***

Governmental Accounting Standards Board Statement No. 96, *Subscription Based Technology Arrangements*, was issued March 2020. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

***Other Matters***

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

***Restriction on Use***

This information is intended solely for the information and use of the Board of Trustees and management of the Traverse Area District Library, and is not intended to be, and should not be, used by anyone other than these specified parties.

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**Traverse Area District Library**

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT

December 31, 2022

Draft



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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Traverse Area District Library  
Traverse City, Michigan

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Traverse Area District Library (the "Library"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Traverse Area District Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Library, as of December 31, 2022 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

##### *Accounting Changes*

As described in Note B to the financial statements, the Library adopted the provisions of Governmental Accounting Standards Board Statement 87, *Leases*, during the year ended December 31, 2022. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

Board of Trustees  
Traverse Area District Library

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 5 through 15, and pension schedules and budgetary comparison information, on pages 42 - 44, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standard Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated \_\_\_\_\_ on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Traverse Area District Library's internal control over financial reporting and compliance.

Certified Public Accountants  
Traverse City, Michigan

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**Traverse Area District Library  
Management Discussion and Analysis  
For the year ended December 31, 2022**

As management of the Traverse Area District Library (the “Library” or “TADL”), we offer readers of the Traverse Area District Library financial statements this narrative review and analysis of the financial activities for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

**Financial Highlights**

1. TADL continued our strategic planning process which involved input from direct interviews and survey results from over 480 citizens. This Plan was adopted by the Board of Trustees in June 2021. While always keeping our patrons and community our top priority, we met the challenges of 2022 with renewed vigor from the input we received during the strategic planning process which guided our collection, programs and budgets during 2022 and will continue to do so for the next two years.
2. The main source of operating revenue for the library is generated by a millage. Taxes collected in 2022 were based on 2021 property tax values. The amount collected for 2022 increased 3.60% over the previous year. The 2022 taxable values, which determine what the Library receives in 2023, increased 8.18%.
3. On August 2, 2016, voters approved the renewal of our millage at .9544 mills by a greater than 75% margin. Subsequent Headlee Millage Rollbacks have resulted in the levy being reduced to .9467 in 2017, .9431 in 2018, .9382 in 2019, .9292 in 2020, .9202 in 2021 and .9044 in 2022. As inflation rates are at very high levels, we do not expect another rollback in 2023.
4. The overall operating revenue in 2022 increased from the prior year by 1.1% due mainly to the return to more normal activity and property taxes increasing, along with an increase in grants. Sales and contributions also rebounded from the prior year. Our expenses increased as the library hours started to return to the full pre-pandemic schedule. The revenue total does not take into account the \$114,173 transfer in for an additional payment to MERS although the expense total does include the disbursement.
5. In addition to the \$120,000 in monthly payments to the Municipal Employees’ Retirement System (MERS), we also remitted an additional amount of \$114,173 in 2022. The \$114,173 payment was funded by a transfer from the Internal Service Fund. With the extra payments and the freezing of our Defined Benefit plan, the plan is now funded at 79% versus 97% last year based on an adjustment to life expectancy and rates of return on investments, which for 2022 were losses.

## Management Discussion and Analysis – Continued

6. Overall personnel expenses went up 7.04% in 2022. This was due to the library returning to more normal hours, staffing levels, and the Union and most salaried staff receiving a 3% increase. The library also paid out its Reserve Sick Leave liability to current employees who would have otherwise received the payout at retirement and at a cost-of-living pay rate much higher than paid out in 2022. Employee insurance premiums, which include employer contributions toward employee HSA accounts, increased by 8% compared to 2021. This difference can be attributed to many insurance carriers giving discounts in 2021 along with changes in employee demographics. The actual increase in our medical plan premiums was 3.13%.
7. Of the six TADL locations, three are Member libraries with service contracts. Funding is based on the percentage of increase or decrease in the collection of Property Taxes, Penal Fines and State Aid from the prior year. The total of these revenue sources increased in 2022, resulting in an increase in member library funding of 12.16% in 2022. In December of 2021 the Fife Lake Public Library, Interlochen Public Library and Peninsula Community Library contracts were re-negotiated and a 10-year contract was signed with each library.
8. Our Teamsters Union labor contract was also re-negotiated in 2021 and a 3-year contract was signed. The new contract will expire at the end of 2024. This contract continued a 3% annual wage increase each year of the three-year contract.
9. The Unassigned General Fund Balance increased by \$123,451 from last year's audit, bringing the total to \$1,081,931. This increase preserves a balance equal to two months of operating expenses.
10. By adapting to the ever changing pandemic and financial landscapes in 2022, the Library continues to operate well within current revenue collections.

## Management Discussion and Analysis – Continued

### Overview of the Financial Statements

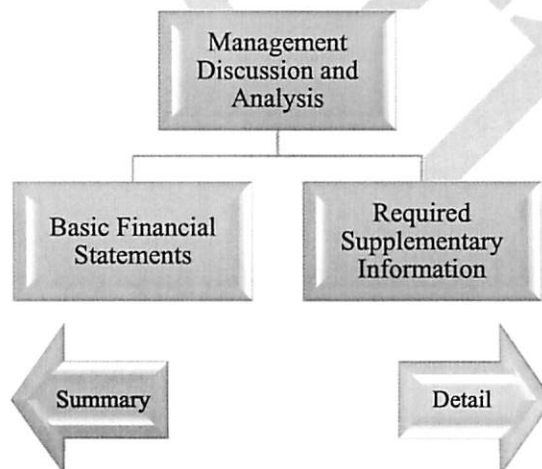
This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Library.

- The first two statements are Library-wide financial statements that provide both short-term and long-term information about the Library’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Library, reporting the Library’s operations in more detail than the Library-wide statements.
- The governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Library’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1**

### *Organization of Traverse Area District Library Annual Financial Report*



## **Management Discussion and Analysis – Continued**

### **Library-wide Statements**

The Library-wide statements report information about the Library as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Library's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two Library-wide statements report the Library's net position and how it has changed. Net position - the difference between the Library's assets and liabilities - is one way to measure the Library's financial health or position.

- Over time, increases or decreases in the Library's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Library's overall health, you need to consider additional non-financial factors such as changes in the Library's property tax base and the condition of buildings and other facilities.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the Library's funds, focusing on its most significant or "major" funds: not the Library as a whole. Funds are accounting devices the Library uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law.
- The Library establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The Library has one kind of fund:

- **Governmental funds:** Most of the Library's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. Because this information does not encompass the additional long-term focus of the Library-wide statements, this report includes reconciliation schedules that explain the relationship (or differences) between the Library-wide statements and the fund financial statements.



## Management Discussion and Analysis – Continued

### Financial Analysis of the Library as a Whole

Net position. The Library's combined total net position was \$8,691,446 on December 31, 2022, a decrease of 6.7% from the prior year. Figure A-2 illustrates the net position for years ended December 31.

Figure A-2

#### *Condensed Statement of Net Position*

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current assets	\$ 8,807,704	\$ 8,718,473
Non-current assets	<u>6,818,913</u>	<u>6,928,761</u>
<b>Deferred outflows of resources</b>	<u>868,845</u>	<u>249,167</u>
<b>Total assets and deferred outflows of resources</b>	<u><u>\$ 16,495,462</u></u>	<u><u>\$ 15,896,401</u></u>
<b>Liabilities</b>		
Current liabilities	\$ 229,752	\$ 205,122
Non-current liabilities	<u>1,970,057</u>	<u>573,139</u>
<b>Total liabilities</b>	<u>2,199,809</u>	<u>778,261</u>
<b>Deferred inflows of resources</b>	<u>5,604,207</u>	<u>5,801,559</u>
<b>Net position</b>		
Investment in capital assets	6,720,773	6,928,761
Restricted	1,363,205	1,512,461
Unrestricted	<u>607,468</u>	<u>875,359</u>
<b>Total net position</b>	<u>8,691,446</u>	<u>9,316,581</u>
<b>Total liabilities, deferred inflows of resources</b>	<u><u>\$ 16,495,462</u></u>	<u><u>\$ 15,896,401</u></u>

Changes in net assets. The Library's total revenue of \$5,827,244 was less than expenditures; decreasing net assets by \$625,135. This decrease was primarily due to increase in library services.

Of the Library's \$6,452,379 in expenditures, approximately 55% is related to personnel costs.

**Management Discussion and Analysis – Continued**

**Figure A-3**

***Changes in Net Position from Operating Results***

	<u>2022</u>	<u>2021</u>
<b>Revenue</b>		
Program revenue		
Charges for services	\$ 80,283	\$ 70,943
Operating grants and contributions	<u>305,656</u>	<u>334,433</u>
Total program revenue	<u>385,939</u>	<u>405,376</u>
General revenue		
Property taxes	5,357,525	5,171,504
Fines and forfeitures	190,441	192,102
Unrestricted investment earnings	<u>(106,661)</u>	<u>(5,273)</u>
Total general revenue	<u>5,441,305</u>	<u>5,358,333</u>
Total revenue	<u>5,827,244</u>	<u>5,763,709</u>
<b>Expenditures</b>		
Library services	5,784,917	4,792,739
Depreciation - unallocated	<u>667,462</u>	<u>619,852</u>
Total expenditures	<u>6,452,379</u>	<u>5,412,591</u>
<b>Increase (decrease) in net position</b>	<b>(625,135)</b>	<b>351,118</b>
Net position - beginning of year	<u>9,316,581</u>	<u>8,965,463</u>
Net position - end of year	<u><b>\$ 8,691,446</b></u>	<u><b>\$ 9,316,581</b></u>

**Financial Analysis of the Library's Funds**

The strong financial performance of the Library as a whole is reflected in its governmental funds. As the Library completed the year, its governmental funds reported a fund balance of \$3,026,595.

## **Management Discussion and Analysis – Continued**

### **General Fund Budgetary Highlights**

Over the course of the year, the Library revised the annual operating budget. Budget items that were significantly different from original budgeted amounts and items causing budget adjustments are enumerated below.

- While there was a significant decrease in investment income due to unrealized losses in the market, there was also a significant increase in property taxes to offset those losses and increase our overall revenue by \$104,518.
- Along with an increase in Revenues due to grants, we also had adjustments to our expenditures as we put those grants and donations to work. Expenditures were adjusted as follows:
  - Personnel was adjusted upward to account for an extra \$114,173 payment to the MERS Unfunded Pension Liability and returning to pre-Covid hours and full staffing.
  - Supplies was increased \$144,000 due to additional spending created by various grants and donations and also due to a switch back to in person programs.
  - Other Services and Charges was adjusted up a total of \$20,000 due to a number of programs, services and training increasing.
  - Capital Improvements budgets were adjusted upward for some year-end purchases also made possible by grants and donations.

## Management Discussion and Analysis – Continued

**Figure A-4**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>General Fund Revenues</i>			
Property taxes	\$ 5,357,528	\$ 5,357,525	\$ (3)
State grants	145,968	145,966	(2)
Other grants	60,646	60,643	(3)
Charges for services	64,530	80,283	15,753
Fines and forfeitures	185,232	190,441	5,209
Investment income	(79,230)	(58,380)	20,850
Contributions and other income	120,000	99,047	(20,953)
Total revenues	<u>5,854,674</u>	<u>5,875,525</u>	<u>20,851</u>
<i>General Fund Expenditures</i>			
Personnel	3,577,308	3,549,583	27,725
Supplies	924,468	831,830	92,638
Other services and charges	1,478,942	1,432,770	46,172
Capital outlay	102,301	86,308	15,993
Total expenditures	<u>6,083,019</u>	<u>5,900,491</u>	<u>182,528</u>
<i>Other Financing Sources (uses)</i>			
Operating transfers in	114,173	114,173	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>114,173</u>	<u>114,173</u>	<u>-</u>
Net change in fund balance	<u>\$ (114,172)</u>	<u>\$ 89,207</u>	<u>\$ 203,379</u>

### Capital Asset and Debt Administration

#### Capital Assets

By the end of 2022, the Library had invested approximately \$14.8 million in a broad range of capital assets, including building improvements, books, computer and audio-visual equipment. Total depreciation expense for the year was \$636,394. Figure A-5 details the historical costs, accumulated depreciation, and book value of the Library's capital assets.

## Management Discussion and Analysis – Continued

**Figure A-5**

	<u>2022</u>	<u>2021</u>
Land	\$ 345,545	\$ 345,545
Building	8,565,421	8,565,421
Collections	4,030,050	3,920,050
Furniture & equipment	<u>1,921,223</u>	<u>1,793,509</u>
Total capital assets	14,862,239	14,624,525
Accumulated depreciation	<u>8,136,027</u>	<u>7,695,764</u>
Net capital assets	<u>\$ 6,726,212</u>	<u>\$ 6,928,761</u>

### Debt Administration

The following (Figure A-6) is a summary of the outstanding debt at December 31:

**Figure A-6**

	<u>2022</u>	<u>2021</u>
Governmental activities:		
Compensated absences	<u>\$ 270,879</u>	<u>\$ 374,287</u>

### Factors Bearing on the Library's Future

At the time these financial statements were prepared and audited, the Library was aware of circumstances that could significantly affect its financial health in the future.

1. Local property taxes represent the largest portion of the Library's revenue providing 91% of the total library funding this year. Taxable values have increased each year of the last decade with the increases as follows according to annual county equalization reports:
  - 2013 2.578%
  - 2014 1.762%
  - 2015 3.273%
  - 2016 1.683%
  - 2017 3.622%
  - 2018 4.896%
  - 2019 5.128%
  - 2020 5.24%
  - 2021 4.66%
  - 2022 7.38%

## **Management Discussion and Analysis – Continued**

Due to the increasing value of taxable properties, TADL has had Headlee Millage reductions for the past five years and will have another reduction in 2022. Our tax receipts will, of course, increase overall, but the lower millage rate will prevent us from collecting the full voter approved amount.

2. We are continuing to monitor discussions of extending the duration of TIF97 and expansion of borders without a tax capture component. If this should occur, in accordance with Board policy, we will opt out to preserve library funding.
3. In 2022, TADL received a Local Community Stabilization payment of \$34,228 from the state as a result of Personal Property tax legislation. This was up from the previous year by 13.3%.
4. In 2022, the Library was required to reimburse the county and/or townships due to Board of Review and Tax Tribunal judgments for a total of \$2,892. The possibility of adverse Board of Review and Tax Tribunal rulings remains a threat that can vary tremendously from year to year and is not within the control of the library.
5. State Aid receipts increased 24.18% in 2022. With the 2020 Census completed, Grand Traverse County had a population increase of 8,252 upon which State Aid is based. As such, we had estimated a 18.9% increase in State Aid for 2022; however, the final amount was even higher. We continue to appreciate the efforts by the Michigan Library Association to advocate for increased library funding to the legislature, and the positive response from our legislators in approving funding increases. We hope that funding will be continuing to be prioritized for libraries.
6. Penal fine receipts have continued to decline since 2015. This is of great concern to us as this is our second largest funding source. It remains a target of legislative activity at the state level as well as potential local ordinances that are passed to capture fines for the municipalities in which the offenses take place. Fines decreased 11% in Grand Traverse County but increased 3% in Benzie County and 10% in Leelanau County in 2022. In all the receipts totaled \$160,311 and had an overall decrease of 8.26% from 2021. We do not foresee this trend reversing in the near future.
7. A new labor contract was negotiated in 2021 with an effective date of January 1, 2022 and ending on December 31, 2024. While this provides stabilization of wage and retirement costs for the next three years, rising inflation rates make health insurance expenditures unpredictable.
8. A committee of the Board of Trustees also negotiated a new ten-year contract with each of our three Member libraries in 2021 to continue a stable funding source for our Members to be able to provide library services in their communities.

## **Management Discussion and Analysis – Continued**

9. We continued the practice of contributing extra funds toward our unfunded pension liability for our frozen MERS Defined Benefit plan in 2022. An additional \$114,173 was paid on top of the required annual contribution of \$120,000. While we expect to continue this practice of additional payments, our future required contributions are based in part on investment earnings and we do not know the effect of the current fluctuating markets on those investments.
10. While we continued to monitor our roof and the effects of the work that had been completed, it was decided that the completion of the project would once again be delayed until late 2023 or 2024 due to new assessments of project scope, supply chain issues, and material price increases. We will continue to monitor and make additional improvements where it is possible and position ourselves to be ready to move when the time is right.
11. While the roof project is on hold, the Main library still requires regular maintenance and upgrades. In 2022, the Board approved funding to install a new sign with funding provided by a donation campaign partnership with Michigan Economic Development Corporation, repair of the retaining wall behind the Library in the Children’s Garden. Topping the list for 2023 is the installation of a community garden, more painting, a renovation of the restrooms and improvements to our HVAC system.

### **Requests for Information**

This financial report is designed to provide a general overview of the Library’s finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Traverse Area District Library, 610 Woodmere, Traverse City, Michigan 49686.

# Traverse Area District Library

## STATEMENT OF NET POSITION

December 31, 2022

Governmental  
Activities

<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash and equivalents	\$ 866,017
Investments	2,940,299
Accounts receivable	4,830,838
Prepaid expenses	<u>170,550</u>
Total current assets	<u>8,807,704</u>
Non-current assets	
Capital assets, net of accumulated depreciation	6,726,212
Operating lease right-of-use asset	<u>92,701</u>
Total non-current assets	6,818,913
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources for net pension liability	<u>868,845</u>
Total assets and deferred outflows of resources	<u><u>\$ 16,495,462</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 72,792
Accrued liabilities	104,110
Lease liability, current portion	25,762
Current portion of long-term debt	<u>27,088</u>
Total current liabilities	<u>229,752</u>
Non-current liabilities	
Long-term debt	243,791
Lease liability, net of current portion	72,378
Net pension liability	<u>1,653,888</u>
Total non-current liabilities	<u>1,970,057</u>
Total liabilities	<u>2,199,809</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Taxes levied but intended for subsequent period	<u>5,604,207</u>
<b>NET POSITION</b>	
Investment in capital assets	6,628,072
Restricted for	
Sight and sound	7,679
Youth services	1,331
Local history collections	16,163
East Bay	200
Teen services	5,037
Talking Book Library	10,761
Public improvement	1,297,326
Permanent fund	
Expendable	5,606
Nonspendable	19,102
Unrestricted	<u>700,169</u>
Total net position	<u>8,691,446</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 16,495,462</u></u>

The accompanying notes are an integral part of these financial statements.



# Traverse Area District Library

## STATEMENT OF ACTIVITIES

Year Ended December 31, 2022

Functions	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental activities					
Library services	\$ 5,784,917	\$ 80,283	\$ 305,656	\$ -	\$ (5,398,978)
Depreciation and amortization - unallocated	667,462	-	-	-	(667,462)
<b>Total governmental activities</b>	<b>\$ 6,452,379</b>	<b>\$ 80,283</b>	<b>\$ 305,656</b>	<b>\$ -</b>	<b>(6,066,440)</b>
General revenues					
Property taxes					
Levied for general purposes					5,357,525
Fines and forfeitures					190,441
Investment earnings (losses)					(106,661)
<b>Total general revenues</b>					<b>5,441,305</b>
Change in net position					(625,135)
Net position, beginning of year					9,316,581
Net position, end of year					<b>\$ 8,691,446</b>

The accompanying notes are an integral part of these financial statements.

**Traverse Area District Library**  
**GOVERNMENTAL FUNDS - BALANCE SHEETS**

December 31, 2022

	General Fund	Public Improvement	Non-Major Permanent Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 866,017	\$ -	\$ -	\$ 866,017
Investments	1,544,804	1,370,891	24,604	2,940,299
Receivables				
Property taxes	4,819,886	-	-	4,819,886
Interest	4,635	5,782	-	10,417
Accounts	431	-	104	535
Prepaid expenditures	170,550	-	-	170,550
<b>Total assets</b>	<b>\$ 7,406,323</b>	<b>\$ 1,376,673</b>	<b>\$ 24,708</b>	<b>\$ 8,807,704</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 72,792	\$ -	\$ -	\$ 72,792
Accrued liabilities	104,110	-	-	104,110
<b>Total liabilities</b>	<b>176,902</b>	<b>-</b>	<b>-</b>	<b>176,902</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes levied intended for subsequent period	5,604,207	-	-	5,604,207
<b>FUND BALANCE</b>				
Nonspendable	170,550	-	19,102	189,652
Restricted				
Sight and sound	4,324	3,355	-	7,679
Youth services	-	1,331	-	1,331
Local history collection	2,042	14,121	-	16,163
East Bay	200	-	-	200
Teen services	-	5,037	-	5,037
Talking Book Library	500	10,261	-	10,761
Fund use	-	1,298,116	5,606	1,303,722
Committed				
Children's programming endowment	81,000	-	-	81,000
Employee benefit obligations	270,267	-	-	270,267
Assigned				
Operations	14,400	-	-	14,400
Accounting software	-	44,452	-	44,452
Unassigned	1,081,931	-	-	1,081,931
<b>Total fund balance</b>	<b>1,625,214</b>	<b>1,376,673</b>	<b>24,708</b>	<b>3,026,595</b>
<b>Total liabilities, deferred inflows of     resources and fund balance</b>	<b>\$ 7,406,323</b>	<b>\$ 1,376,673</b>	<b>\$ 24,708</b>	

**Reconciliation of Governmental Fund Balance to District-Wide Governmental Activities Net Position**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, including the operating lease right-of-use assets, are used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

The cost of the capital assets is \$14,862,239 and the accumulated depreciation is \$8,136,027. 6,726,212

The operating lease right-of-use lease asset is \$123,769 and the accumulated amortization is \$31,068. 92,701

Deferred inflows of resources net of deferred outflows of resources for pension liabilities are not a financial resource and, therefore, are not reported in governmental funds. 868,845

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Net pension liability	(1,653,888)
Lease liabilities	(98,140)
Compensated absences	(270,879)

**Total net position - governmental activities** **\$ 8,691,446**

## Traverse Area District Library

### GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended December 31, 2022

	General Fund	Public Improvement	Non-Major Permanent Fund	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 5,357,525	\$ -	\$ -	\$ 5,357,525
State grants	145,966	-	-	145,966
Other grants	60,643	-	-	60,643
Charges for services	80,283	-	-	80,283
Fines and forfeitures	190,441	-	-	190,441
Investment income (loss)	(58,380)	(47,502)	(836)	(106,718)
Contributions and other income	99,047	-	-	99,047
	<u>5,875,525</u>	<u>(47,502)</u>	<u>(836)</u>	<u>5,827,187</u>
<b>Total revenues</b>				
<b>EXPENDITURES</b>				
Current				
Personnel	3,435,410	-	-	3,435,410
Additional retirement contribution	114,173	-	-	114,173
Supplies and collection additions	831,830	-	-	831,830
Other services and charges	1,432,770	3,517	62	1,436,349
Capital outlay	86,308	153,580	-	239,888
	<u>5,900,491</u>	<u>157,097</u>	<u>62</u>	<u>6,057,650</u>
<b>Total expenditures</b>				
<b>REVENUES OVER EXPENDITURES</b>	<u>(24,966)</u>	<u>(204,599)</u>	<u>(898)</u>	<u>(230,463)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	114,173	-	-	114,173
	<u>114,173</u>	<u>-</u>	<u>-</u>	<u>114,173</u>
<b>Total other financing sources (uses)</b>				
<b>NET CHANGE IN FUND BALANCE</b>	89,207	(204,599)	(898)	(116,290)
Fund balance, beginning of year	1,536,007	1,581,272	25,606	3,142,885
	<u>1,536,007</u>	<u>1,581,272</u>	<u>25,606</u>	<u>3,142,885</u>
Fund balance, end of year	<u>\$ 1,625,214</u>	<u>\$ 1,376,673</u>	<u>\$ 24,708</u>	<u>\$ 3,026,595</u>

The accompanying notes are an integral part of these financial statements.

**Traverse Area District Library**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE WITH  
THE STATEMENT OF ACTIVITIES**

Year Ended December 31, 2022

**Total net change in fund balance - governmental funds** **\$ (116,290)**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase, build, or lease capital assets are reported in the governmental funds as expenditures. However, those costs are allocated over their estimated useful lives as annual depreciation and amortization expense in the statement of activities. This is the amount by which depreciation and amortization expense is more than capital outlays during the period.

	Capital outlays	\$ 433,845	
	Depreciation expense	(636,394)	
	Amortization expense	<u>(31,068)</u>	(233,617)

Change in deferred outflows of resources, net of the change in deferred inflows of resources for pension obligations. 1,128,290

In the statement of activities, certain operating expenses - accrued leave - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This year, the amount paid was more than the accrued leave earned. 103,408

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues of the internal service funds are reported with governmental activities. (114,947)

Change in lease liabilities 25,629

Increase in net pension liability (1,417,608)

**Change in net position of governmental activities** **\$ (625,135)**

# Traverse Area District Library

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - INTERNAL SERVICE FUND

Year Ended December 31, 2022

<b>NONOPERATING REVENUES</b>	
Gain (loss) on investments	\$ (831)
Interest income	<u>57</u>
<b>INCOME BEFORE TRANSFERS</b>	<u>(774)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers to other funds	<u>(114,173)</u>
<b>CHANGE IN NET POSITION</b>	(114,947)
<b>NET POSITION, beginning of year</b>	<u>114,947</u>
<b>NET POSITION, end of year</b>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

**Traverse Area District Library**  
**STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUND**  
Year Ended December 31, 2022

Change in net position	\$ (114,947)
Adjustments to reconcile change in net position	
Change in amounts due from other funds	104,086
Change in interest receivable	<u>31</u>
Net cash from operating activities	<u>(10,830)</u>
Investing activities	
Sale of investments	<u>10,830</u>
<b>NET CHANGE IN CASH</b>	-
Cash, beginning of year	<u>-</u>
Cash, end of year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

**Traverse Area District Library**  
NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Introduction***

The accounting policies of the Traverse Area District Library (the "Library") conform to generally accepted accounting principles as applied to governmental units. The following is a summary of the significant policies.

The Traverse Area District Library was established on January 1, 1983 pursuant to the Library Act of Michigan by participating municipalities of the City of Traverse City and Grand Traverse County. The Library provides library services to the public.

***The Financial Reporting Entity***

As a district Library, the Library is governed by a Board of Trustees, appointed in accordance with the Library bylaws. The Board has governance responsibilities over all activities related to the Traverse Area District Library. The Board receives funding from local and State government sources and must comply with concomitant requirements of these funding entities. However, the Board is not included in any other governmental "reporting entity" as defined by the Government Accounting Standards Board since the Board members, who are appointed, have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. In accordance with generally accepted accounting principles, there are no component units to be included in the financial statements.

The Traverse Area District Library maintains associate library relationships with the Peninsula Community, Fife Lake Public, and Interlochen Public Libraries. These contractual relationships provide for an exchange of library services. The agreements also provide for payments to the associate members of the amounts based on varying factors. Supplemental payments may also be made to the associate members at the discretion of the Board of Trustees. The Library operates branches in the Village of Kingsley and East Bay Township.

The Traverse Area District Library also provides services for eligible blind and physically handicapped residents to an eight-county region by means of the TADL Talking Book Library. Part of the Michigan Braille and Talking Book Library Network of Regional and Subregional Libraries, expenditures related to this program are partially funded through State and Federal grants and in-kind support.

***Government-Wide and Fund Financial Statements***

***Government-Wide Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by charges for services and tax revenues.

## NOTES TO FINANCIAL STATEMENTS - Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from the goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues.

### *Fund Financial Statements*

The balance sheets and statements of revenues, expenditures and changes in fund balance (i.e. fund financial statements) for the Library's governmental and internal service funds display information about the major and aggregated non-major funds for the various fund types. Major funds are generally those that represent 10% or more of the respective fund type's assets, liabilities, revenues or expenditures.

### *Measurement Focus, Basis of Accounting and Financial Statement Presentation*

The government-wide statements report using the economic resource measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants, property taxes and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental funds use a financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the financial resources measurement focus, only current assets and current liabilities are generally included on governmental fund balance sheets. The governmental fund operating statements present a summary of sources and uses of available spendable resources. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Current expenditures are generally recorded when the fund liability is incurred, if measurable. Exceptions to this general rule include principal and interest on long-term debt, which is recognized when due and accrued compensated absences, which is recorded when payable from current available financial resources.

State revenue, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.



## NOTES TO FINANCIAL STATEMENTS - Continued

### *Fund Types and Major Funds*

#### *Activities in Major Funds*

**General Fund** - This fund is used to account for all financial resources except those provided for in other funds. The fund includes the general operating expenditures of the Library.

**Public Improvement Special Revenue Fund** - This fund is used to accumulate money for acquiring, constructing, extending, altering, repairing, or equipping public improvements or buildings.

#### *Activities in Non-Major Funds*

**Permanent Fund** - This fund is used to account for the corpus and earnings of a trust of which the earnings can be spent.

**Internal Service Fund** - This fund was used to account for operations that provide services to the Library. Specifically, this fund was used to service the net pension liability of the Library. This fund was closed during 2022.

### *Budgeting Data*

The annual budgets are prepared by the Library's management and adopted by the Library Board; subsequent amendments are approved by the Library Board. During the current year, the budget was amended in a legally permissible manner.

The budgets have been prepared in accordance with generally accepted accounting principles. The budget statement (statement of revenue, expenditures and change in fund balance - budget and actual) is presented on the same basis of accounting used in preparing the adopted budget.

The budget has been adopted on an activity basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan Law. A comparison of actual results of operations to the budget as adopted by the Board is included in the financial statements.

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. On or about December 1<sup>st</sup>, the Library submits to the general public a proposed operating budget for the fiscal year commencing the following January 1<sup>st</sup>. The operation budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. On or about December 31<sup>st</sup>, the budget is legally enacted through passage of a resolution.
- d. The Library Director is authorized to transfer budgeted amounts within the four budgeted categories.
- e. Appropriations for the funds lapse at the end of the fiscal year.

NOTES TO FINANCIAL STATEMENTS - Continued

***Cash and Investments***

The Library considers all cash, demand deposits and short-term investments with an original maturity of three months or less to be cash equivalents.

Cash deposits are reported at carrying amounts that reasonably estimate fair value. Investments are reported at fair value.

***Property Tax Receivable***

Property taxes are levied and attached as an enforceable lien on property on December 1<sup>st</sup> on the taxable valuation of property as of the preceding December 31<sup>st</sup>. The property taxes are billed and collected by local units of government within the Library District, which then remit the Library's designated portion on a semi-monthly basis. During March of each year, uncollected real property taxes are transferred to the respective County which pays the Library for those balances and accepts responsibility for collection. Responsibility for the collection of unpaid personal property taxes remains with the local units of government.

Although the Library's 2022 ad valorem tax is levied and collectible on December 1, 2022, it is the Library's policy to recognize revenues from the current tax levy in the subsequent year when the proceeds of this levy are budgeted and made available for the financing of the Library's operations.

***Capital Assets***

Capital assets, which include property and equipment are reported in the government-wide statements (statement of net position) and are stated at cost. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer. The Library generally capitalizes assets with costs of \$5,000 or more and an estimated life in excess of one year. Collection assets are recorded as group additions and deletions each year. No depreciation is recorded on land or construction-in-process. Expenditures for major renewals and maintenance and repairs are charged to current expenditures as incurred. Depreciation is computed using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

The estimated useful lives, in years, for depreciable assets are as follows:

Furniture, fixtures and equipment	3-40 years
Buildings and improvements	15-40 years
Collections-books, DVD's, videotapes, etc.	6 years

NOTES TO FINANCIAL STATEMENTS - Continued

***Leased Assets and Liabilities***

Lease agreements with a non-cancellable term exceeding 12 months are recorded as lease liabilities in the government-wide financial statements. The right-of-use asset is recorded as operating lease right-of-use asset and amortized using a straight-line method over the lease term. The lease liability is valued at net present value, whereby interest is calculated based on the Prime rate at lease inception.

***Deferred Inflows and Outflows of Resources***

Government-wide financial statements report *deferred inflows of resources* in connection with the net pension obligation. Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred inflows of resources* reported in the governmental funds were as follows for receivables and revenues at December 31, 2022:

Property taxes:	
General Fund	<u>\$ 5,604,207</u>

Government-wide financial statements report *deferred outflows of resources* in connection with consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources are related to recording the net pension liability.

***Compensated Absences***

The Library's employees earn leave in varying amounts based on length of service. Unused leave may accumulate and be carried over to a subsequent year, subject to restrictions. Leave accrued at year end which is subject to payment upon termination has been included as a liability on the statement of net position and not on the fund balance sheet as the balance has not yet matured from resignations or retirements.

***Fund Balance***

In the fund financial statements, governmental funds classify fund balance as nonspendable for amounts that are not in a spendable form, such as inventory and prepaid expenses, or are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, such as grant providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers. Committed fund balance includes amounts that can be used only for the specific purpose determined by a formal action of government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally. Assigned fund balance comprises amounts intended to be used by the government for a specific purpose. Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

## NOTES TO FINANCIAL STATEMENTS - Continued

When both restricted and unrestricted fund balances are available for use, it is the Library's policy to use restricted fund balance first, then unrestricted fund balance. However, the Library reserves the right to use unrestricted fund balance first. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

It is the Board of Trustees intent to utilize the Public Improvement Fund's restricted balance as set forth in the governmental funds' balance sheet.

### ***Contributions***

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

### ***Pensions***

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the fiduciary net pension of the Municipal Employees Retirement System ("MERS") of Michigan, and additions to/deductions from MERS fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### ***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### ***Subsequent Events***

The Library has evaluated subsequent events and transactions for potential recognition and disclosure through \_\_\_\_\_, the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS - Continued

**NOTE B - ACCOUNTING CHANGES**

The Library adopted the Governmental Accounting Standards Board issued Statement No. 87 (“GASB 87”), *Leases*, for the year ended December 31, 2022. The standard established criteria for identifying, and requiring recognition of, certain lease assets and lease liabilities for leases that previously were classified as operating leases. For contracts that meet the definition of a lease under the standard, GASB 87 requires governmental entities to report lease assets and lease liabilities in the statement of net position. The addition of the lease receivable is offset by the deferred inflows of resources at the implementation of the standard, for a zero impact on both the statement of net position and balance sheet as follows:

	<u>Governmental Activities Statement of Net Position</u>
Lease liability at January 1, 2022	\$ (123,769)
Deferred outflow of resources at January 1, 2022	<u>123,769</u>
Impact on net position and fund balance	<u><u>\$ -</u></u>

**NOTE C - CASH AND INVESTMENTS**

At December 31, 2022, the Library's cash and investments include the following:

	<u>Balance Sheet Classification</u>		
	<u>Cash and Equivalents</u>	<u>Investments</u>	<u>Total</u>
Total	<u>\$ 866,017</u>	<u>\$ 2,940,299</u>	<u>\$ 3,806,316</u>

These deposits are in three (3) financial institutions located in Michigan. State policy limits the Library's investing options to financial institutions located in Michigan.

***Deposits Risk***

***Interest Rate Risk*** - State law limits the allowable investments and the maturities of some of the allowable investments as identified in the following list of authorized investments. The Library's investment policy does not have specific limits in excess of State law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity dates for each investment are identified below for investments held at year-end.

## NOTES TO FINANCIAL STATEMENTS - Continued

***Credit Risk*** - State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of the Library's specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the following listing. The Library's investment policy does not have specific limits in excess of State law on investment credit risk. The rating for each investment (not including money market investments) is AA+.

***Custodial Credit Risk - Deposits*** - Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned. The Library minimizes this risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors to be in compliance with the requirements set forth in the Library's investment policy. As of year-end, \$728,778 of the Library's bank balance of \$978,778 was exposed to custodial credit risk because it was uninsured and uncollateralized.

***Custodial Credit Risk - Investments*** - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library minimized this risk by pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors to be in compliance with the requirements set forth in the Library's investment policy. The custodial risk for money market mutual funds cannot be determined because the mutual fund does not consist of specifically identifiable securities. The Library is exposed to custodial credit risk for the remaining securities because they are uninsured and unregistered with securities held by the counter party or the counter party's trust department or agent, but not in the Library's name.

### ***Statutory Authority***

State statutes authorize the Library to invest in:

- a. Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Banker's acceptance of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

NOTES TO FINANCIAL STATEMENTS - Continued

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Library has the following recurring fair value measurements as of December 31, 2022:

Investments by Fair Value Level	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investment Maturities (in years)	
				Current	1-5
Government backed bonds	\$ -	\$ 513,765	\$ -	\$ 513,765	\$ -
Treasury bonds	-	1,694,234	-	-	1,694,234
Certificates of deposit	303,653	-	-	303,653	-
Money market funds	428,647	-	-	428,647	-
Total	<u>\$ 732,300</u>	<u>\$ 2,207,999</u>	<u>\$ -</u>	<u>\$ 1,246,065</u>	<u>\$ 1,694,234</u>

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis.

There have been no changes in the methodologies used at December 31, 2022.

*U.S. government bonds, municipal bonds and corporate bonds:* Valued at fair value using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*Certificates of Deposit:* Valued at the fair value based on quoted prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Library believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTES TO FINANCIAL STATEMENTS - Continued

**NOTE D - INVESTMENT IN CAPITAL ASSETS**

Investment in capital assets changed as follows during the year ended December 31, 2022:

	<u>Beginning</u>	<u>Capital Acquisitions</u>	<u>Disposals</u>	<u>Ending</u>
Buildings	\$ 8,565,421	\$ -	\$ -	\$ 8,565,421
Collections	3,920,050	306,131	(196,131)	4,030,050
Furniture and equipment	<u>1,793,509</u>	<u>127,714</u>	<u>-</u>	<u>1,921,223</u>
Total depreciable assets	14,278,980	433,845	(196,131)	14,516,694
Less accumulated depreciation	(7,695,764)	(636,394)	196,131	(8,136,027)
Land	<u>345,545</u>	<u>-</u>	<u>-</u>	<u>345,545</u>
Total capital assets, net	<u>\$ 6,928,761</u>	<u>\$ (202,549)</u>	<u>\$ -</u>	<u>\$ 6,726,212</u>

Total depreciation expense for the year ended December 31, 2022, was \$636,394.

**NOTE E - LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended December 31, 2022:

	<u>Beginning Balance</u>	<u>New Debt</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Compensated absences	<u>\$ 374,287</u>	<u>\$ -</u>	<u>\$ (103,408)</u>	<u>\$ 270,879</u>	<u>\$ 27,088</u>

Compensated absences are liquidated in the general fund.

**NOTE F - LEASES**

The Library has entered into an equipment and building lease. The equipment operating lease for the self-checkout machine began on August 22, 2018 for a five-year term and with the option for a one-year renewal term. The annual payment amount is \$22,909. The building lease, with the Village of Kingsley, began on May 1, 2019 for a period of ten years and includes an option to renew for an additional ten-year term. The monthly payment amount is \$500.



NOTES TO FINANCIAL STATEMENTS - Continued

Quantitative information concerning the Library's leases consisted of the following as of and for the year ended December 31, 2022:

**Lease expense**

Amortization expense by class of underlying asset

Building	\$ 4,595
Equipment	<u>26,473</u>
Total amortization expense	31,068
Interest on lease liabilities	<u>3,727</u>
Total	<u>\$ 34,795</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	
Operating lease right of use assets					
Building	\$ 79,647	\$ -	\$ -	\$ 79,647	
Equipment	<u>44,122</u>	<u>-</u>	<u>-</u>	<u>44,122</u>	
Total operating lease right of use assets	<u>123,769</u>	<u>-</u>	<u>-</u>	<u>123,769</u>	
Accumulated amortization					
Building	-	(4,595)	-	(4,595)	
Equipment	<u>-</u>	<u>(26,473)</u>	<u>-</u>	<u>(26,473)</u>	
Total accumulated amortization	<u>-</u>	<u>(31,068)</u>	<u>-</u>	<u>(31,068)</u>	
Total operating lease right of use assets, net	<u>\$ 123,769</u>	<u>\$ (31,068)</u>	<u>\$ -</u>	<u>\$ 92,701</u>	
Lease liabilities	<u>\$ 123,769</u>	<u>\$ -</u>	<u>\$ (25,629)</u>	<u>\$ 98,140</u>	<u>Current Portion \$ 25,762</u>

NOTES TO FINANCIAL STATEMENTS - Continued

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2023	\$ 25,762	\$ 3,147	\$ 28,909
2024	3,703	2,297	6,000
2025	3,825	2,175	6,000
2026	3,951	2,049	6,000
2027	4,081	1,919	6,000
2028-2032	22,516	7,484	30,000
2033-2037	26,484	3,516	30,000
2038-2039	<u>7,818</u>	<u>182</u>	<u>8,000</u>
Total	<u>\$ 98,140</u>	<u>\$ 22,769</u>	<u>\$ 120,909</u>

**NOTE G - INTERFUND TRANSACTIONS**

***Operating Transfers***

Operating transfers in and out of individual funds are summarized as follows during the year ended December 31, 2022:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 114,173	\$ -
Internal Service Fund	<u>-</u>	<u>114,173</u>
Total	<u>\$ 114,173</u>	<u>\$ 114,173</u>

Transfers were used to close the Internal Service Fund as of December 31, 2022.

**NOTE H - PENSION PLAN**

The Library participates in two retirement programs as detailed below:

**Defined Contribution Plan - Employee Investment Plan and Trust**

The Library participates in a self-administered defined contribution pension plan established on June 1, 1985. There are two types of contributions that the Library may make: discretionary matching and discretionary profit sharing. Employees are eligible to participate in the plan after reaching 21 years of age and providing three months of service. As authorized by the plan document, each participant may contribute from 1% to 15% of compensation to this plan. The Library may contribute each year, depending on its funding. Participants in the plan are vested depending on their years of service. The employee will be credited with one year of service for each plan year in which at least 1,000 hours of service were completed. All employee contributions are 100% vested at all times.

The Library opened a MERS Defined Contribution plan as of November 1, 2016. As authorized by the plan document, each participant will contribute 3% of compensation to this plan. The Library contributes 8% of the employee's compensation. All employees are 100% vested after 5 years of service. The employee will be credited with one vesting year for each 12 months of continuous employment from the date of hire.

The employer contribution to the self-administered defined contribution plan and the MERS defined contribution plan for the year totaled \$106,081 and \$165,078, respectively. The employee contributions totaled \$184,071 and \$61,692, respectively. Plan provisions and contribution requirements are established and may be amended by the Library Board.

**Defined Benefit Plan - Municipal Employees Retirement System of Michigan**

The Library participates in the Municipal Employees Retirement System of Michigan ("MERS") defined benefit plan. The defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, State-wide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at [www.mersofmich.gov](http://www.mersofmich.gov).

In October 2016, the Library and the Teamsters Union reached an agreement on the labor contract that had expired on December 31, 2015. The settlement included the transition from the MERS Defined Benefit plan to a MERS Defined Contribution plan. The MERS Defined Benefit plan was frozen as of November 1, 2016. Employees will maintain their benefits pursuant to the MERS Defined Benefit plan.

***Benefits Provided***

Benefits were frozen as of November 1, 2016.

The vesting period is 6 years.

NOTES TO FINANCIAL STATEMENTS - Continued

Normal retirement age is 60 with early retirement at 55 with 15 years of service, or 50 with 25 years of service.

Final average compensation is calculated based on 5 years. Members contributions are 0% because the plan is closed.

***Employees Covered by Benefit Terms***

At the December 31, 2021 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	39
Inactive employees entitled to but not yet receiving benefits	8
Active employees	<u>21</u>
	<u><u>68</u></u>

***Contributions***

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions were \$120,000 based on the annual required contribution. The Library also contributed \$114,173 in excess of the annual required contribution, for total contribution of \$234,173.

***Net Pension Liability***

The employer's Net Pension Liability was measured as of December 31, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of December 31, 2021.

***Actuarial Assumptions***

The total pension liability in the December 31, 2021 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary increases: 3.0% in the long-term.

Investment rate of return: 7.35%, net of investment expense, including inflation.

The long-term rate of inflation wage assumed in the valuation is 2.75% annually, which is consistent with the 2.5% price inflation assumption.

Mortality rates used were based on the PubG-2010 and fully generational MP-2019 mortality tables.

NOTES TO FINANCIAL STATEMENTS - Continued

The actuarial assumptions used in valuation were based on the results of the actuarial experience studies covering 2014-2018 and dated 2020.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	60.0 %	3.15 %
Global fixed income	20.0 %	0.25 %
Private investments	20.0 %	1.45 %

***Discount Rate***

The discount rate used to measure the total pension liability is 7.25% for 2021. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS - Continued

**Changes in Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
	(a)	(b)	(a)-(b)
<b>Balances at December 31, 2021</b>	<b>\$ 7,534,607</b>	<b>\$ 7,298,327</b>	<b>\$ 236,280</b>
Changes for the year			
Service cost	780	-	780
Interest on total pension liability	526,201	-	526,201
Changes in benefits	-	-	-
Difference between expected and actual experience	124,626	-	124,626
Changes in assumptions	248,501	-	248,501
Employer contributions	-	234,173	(234,173)
Net investment income	-	(750,260)	750,260
Benefit payments, including employee refunds	(554,092)	(554,092)	-
Administrative expense	-	(13,260)	13,260
Other changes	(11,847)	-	(11,847)
Net changes	<u>334,169</u>	<u>(1,083,439)</u>	<u>1,417,608</u>
<b>Balances as of December 31, 2022</b>	<b><u>\$ 7,868,776</u></b>	<b><u>\$ 6,214,888</u></b>	<b><u>\$ 1,653,888</u></b>

**Sensitivity of Net Pension Liability to Changes in the Discount Rate**

The following presents the Net Pension Liability of the Library, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or 1% higher (8.25%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	<u>6.25</u>	<u>7.25</u>	<u>8.25</u>
Net pension liability	\$ 2,449,603	\$ 1,653,888	\$ 979,327

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

NOTES TO FINANCIAL STATEMENTS - Continued

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended December 31, 2022, the Library recognized pension benefit of \$0. The Library reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in experience	\$ 69,470	\$ -
Difference in assumptions	205,588	-
Deficit investment returns	<u>593,787</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 868,845</u></b>	<b><u>\$ -</u></b>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ended</u>	
2023	\$ 324,995
2024	112,588
2025	172,808
2026	<u>258,454</u>
	<b><u>\$ 868,845</u></b>

**NOTE I - DEFERRED COMPENSATION PLAN**

The Library offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all Library employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

In complying with the amended Section 457 requirements, these assets are for the exclusive benefit of participants and not subject to the claims of the Library's general creditors. As such, they are not included in a custodial fund of the Library.

**NOTE J - RISKS AND UNCERTAINTIES**

***Risk Management***

The Library is exposed to various risks of loss related to property, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. The Library has purchased commercial insurance for claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past four fiscal years. There were no significant reductions in insurance coverage during the past year.

**NOTE K - COMMITMENTS AND CONTINGENCIES**

***Collectively Bargained Employment Agreement***

The employees of the Library are organized under the Teamsters State, county and municipal workers local 214 (the "Union"). The Board of Trustees and the Union have a contract for January 1, 2022 through December 31, 2024.



Draft

**REQUIRED SUPPLEMENTARY INFORMATION**

## Traverse Area District Library

### SCHEDULE OF CHANGES IN THE MERS NET PENSION ASSET AND RELATED RATIOS

Years Ended December 31:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>								
Service cost	\$ 780	\$ 990	\$ 1,100	\$ 1,515	\$ 1,950	\$ 199,446	\$ 215,673	\$ 197,882
Interest	526,201	533,181	514,941	559,529	554,612	668,004	603,264	574,593
Changes in benefit terms	-	-	-	-	-	(1,603,158)	-	-
Difference between expected and actual experience	124,626	21,472	(37,768)	(271,179)	(30,107)	(117,979)	242,089	-
Changes in assumption	248,501	244,014	254,298	-	-	-	450,014	-
Benefit payments, including employee refunds	(554,092)	(528,986)	(505,221)	(448,086)	(451,825)	(431,735)	(429,433)	(389,185)
Other	(11,847)	(15,604)	24,596	(31,582)	(14,823)	(23,177)	(34,593)	(24,527)
Net change in total pension liability	334,169	255,067	251,946	(189,803)	59,807	(1,308,599)	1,047,014	358,763
Total pension liability, beginning	<u>7,534,607</u>	<u>7,279,540</u>	<u>7,027,594</u>	<u>7,217,397</u>	<u>7,157,590</u>	<u>8,466,189</u>	<u>7,419,175</u>	<u>7,060,412</u>
<b>Total pension liability, ending</b>	<b><u>\$ 7,868,776</u></b>	<b><u>\$ 7,534,607</u></b>	<b><u>\$ 7,279,540</u></b>	<b><u>\$ 7,027,594</u></b>	<b><u>\$ 7,217,397</u></b>	<b><u>\$ 7,157,590</u></b>	<b><u>\$ 8,466,189</u></b>	<b><u>\$ 7,419,175</u></b>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 234,173	\$ 320,000	\$ 230,000	\$ 299,528	\$ 299,372	\$ 299,900	\$ 654,923	\$ 265,502
Contributions - employee	-	-	-	-	-	(123)	68,879	83,538
Net investment income	(750,260)	921,234	755,913	749,972	(231,447)	707,090	555,932	(70,448)
Benefit payments, including employee refunds	(554,092)	(528,986)	(505,221)	(448,086)	(451,825)	(431,735)	(429,433)	(389,185)
Administrative expense	(13,260)	(10,561)	(12,147)	(12,930)	(11,492)	(11,182)	(10,910)	(10,244)
Net change in plan fiduciary net position	(1,083,439)	701,687	468,545	588,484	(395,392)	563,950	839,391	(120,837)
Plan fiduciary net position, beginning	<u>7,298,327</u>	<u>6,596,640</u>	<u>6,128,095</u>	<u>5,539,611</u>	<u>5,935,003</u>	<u>5,371,053</u>	<u>4,531,662</u>	<u>4,652,499</u>
<b>Plan fiduciary net position, ending</b>	<b><u>\$ 6,214,888</u></b>	<b><u>\$ 7,298,327</u></b>	<b><u>\$ 6,596,640</u></b>	<b><u>\$ 6,128,095</u></b>	<b><u>\$ 5,539,611</u></b>	<b><u>\$ 5,935,003</u></b>	<b><u>\$ 5,371,053</u></b>	<b><u>\$ 4,531,662</u></b>
<b>Employer net pension liability</b>	<b><u>\$ 1,653,888</u></b>	<b><u>\$ 236,280</u></b>	<b><u>\$ 682,900</u></b>	<b><u>\$ 899,499</u></b>	<b><u>\$ 1,677,786</u></b>	<b><u>\$ 1,222,587</u></b>	<b><u>\$ 3,095,136</u></b>	<b><u>\$ 2,887,513</u></b>
Plan fiduciary net position as a percentage of total pension liability	79 %	97 %	91 %	87 %	77 %	83 %	63 %	61 %
Covered employee payroll	<u>\$ 983,007</u>	<u>\$ 1,113,703</u>	<u>\$ 1,236,453</u>	<u>\$ 1,401,775</u>	<u>\$ 1,646,335</u>	<u>\$ 1,733,192</u>	<u>\$ 1,785,090</u>	<u>\$ 1,673,876</u>
Employer's net pension liability as a percentage of covered employee payroll	168 %	21 %	55 %	64 %	102 %	71 %	173 %	173 %

**Note to schedule:**

The plan was closed October 31, 2016.

## Traverse Area District Library

### SCHEDULE OF MERS EMPLOYER'S CONTRIBUTIONS

Years Ended December 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial determined contributions	\$ 120,000	\$ 120,000	\$ 120,000	\$ 99,528	\$ 99,372	\$ 99,777	\$ 304,734	\$ 265,502
Contribution in relation to the actuarially determined contributions	<u>234,173</u>	<u>320,000</u>	<u>230,000</u>	<u>299,528</u>	<u>299,372</u>	<u>299,777</u>	<u>679,734</u>	<u>265,502</u>
Contribution excess	<u>\$ 114,173</u>	<u>\$ 200,000</u>	<u>\$ 110,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 375,000</u>	<u>\$ -</u>
Covered employee payroll	<u>\$ 983,007</u>	<u>\$1,113,703</u>	<u>\$1,236,453</u>	<u>\$1,401,775</u>	<u>\$1,646,335</u>	<u>\$1,733,192</u>	<u>\$1,785,090</u>	<u>\$1,673,876</u>
Contributions as a percentage of covered employee payroll	24 %	29 %	19 %	21 %	18 %	17 %	38 %	16 %

#### Notes to Schedule

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	16 years
Asset valuation method	5 year smoothed
Inflation	2.5%
Salary increases	3.0%
Investment rate of return	7.35%
Retirement age	Varies depending on plan adoption
Mortality	PubG-2010 Mortality Table and fully generational MP-2019 Mortality tables

#### Previous actuarial methods and assumptions:

A seven year smoothed asset valuation method was used for the time period of 2015 through 2018. Inflation and salary increases were expected to be 3.5% and 4.5%, respectively, for 2015. Salary increases were expected to be 3.75% for the time period of 2016 through 2019. Investment rate of return was expected to be 7.75% for the time period of 2016 through 2019.

## Traverse Area District Library

### BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		Actual (GAAP Basis)	Variances - Positive (Negative)	
	<u>Original</u>	<u>Final</u>		<u>Original to Final</u>	<u>Final to Actual Total</u>
<b>REVENUES</b>					
Property taxes	\$ 5,323,447	\$ 5,357,528	\$ 5,357,525	\$ 34,081	\$ (3)
State grants	147,464	145,968	145,966	(1,496)	(2)
Other grants	10,630	60,646	60,643	50,016	(3)
Charges for services	62,930	64,530	80,283	1,600	15,753
Fines and forfeitures	169,900	185,232	190,441	15,332	5,209
Interest income	5,650	(79,230)	(58,380)	(84,880)	20,850
Contributions and other income	30,850	120,000	99,047	89,150	(20,953)
<b>Total revenues</b>	<u>5,750,871</u>	<u>5,854,674</u>	<u>5,875,525</u>	<u>103,803</u>	<u>20,851</u>
<b>EXPENDITURES</b>					
Current					
Personnel	3,451,879	3,577,308	3,549,583	(125,429)	27,725
Supplies	780,500	924,468	831,830	(143,968)	92,638
Other services and charges	1,458,942	1,478,942	1,432,770	(20,000)	46,172
Capital outlay	59,550	102,301	86,308	(42,751)	15,993
<b>Total expenditures</b>	<u>5,750,871</u>	<u>6,083,019</u>	<u>5,900,491</u>	<u>(332,148)</u>	<u>182,528</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(228,345)</u>	<u>(24,966)</u>	<u>(228,345)</u>	<u>203,379</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	<u>-</u>	<u>114,173</u>	<u>114,173</u>	<u>114,173</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>(114,172)</u>	<u>89,207</u>	<u>(114,172)</u>	<u>203,379</u>
Fund balance, beginning of year	<u>1,536,007</u>	<u>1,536,007</u>	<u>1,536,007</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,536,007</u>	<u>\$ 1,421,835</u>	<u>\$ 1,625,214</u>	<u>\$ (114,172)</u>	<u>\$ 203,379</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees  
Traverse Area District Library  
Traverse City, Michigan

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the *Traverse Area District Library* (the "Library") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated \_\_\_\_\_.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as described below, we identified a deficiency in internal control that we consider to be a significant deficiency.

**Finding 2022-001 Preparation of Financial Statements**

**Criteria:** The preparation of financial statements is the responsibility of the Library management and requires internal controls over both (1) recording, processing and summarizing financial data (i.e., maintaining internal books and records) and (2) reporting this financial data in the form of financial statements, including all related note disclosures (i.e., external financial reporting).

**Condition:** As is the case with many small governments, the Library is relying on their independent external auditors to assist with the preparation of the financial statements and related note disclosures as part of its external financial reporting process.

**Cause:** This condition was caused by the Library's decision that it is more cost effective to outsource the preparation of its annual financial statements to auditors than to incur the time and expense of obtaining the necessary training and expertise required for the Library to perform this task internally.

**Effect:** The Library's ability to adjust its books and records and prepare financial statements is based, in part, on its reliance on its external auditors who cannot, by definition, be considered a part of the Library's internal controls.

**Recommendation:** The Library should perform a review of the draft financial statements and notes prior to approving them to accept responsibility for their content.

**Management's Response:** The Library has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Library to outsource this task to its external auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

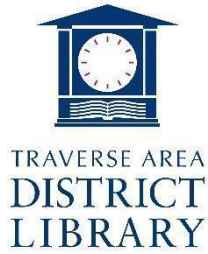
**Library's Response to Finding**

The Library's response to the finding identified in our audit is identified above. The Library's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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## TADL Board of Trustees Policy and Personnel Committee

June 5, 2023  
10:00 am Thirlby Room

610 Woodmere Ave. / Traverse City, MI / 49686

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**Attendance:** M. Vickery, J. Wescott, and M. Pakieser, Trustees. M. Myers, V. Carpenter, D. Baldwin, M. Howard, staff.

**Agenda Approval:** The agenda was approved as amended.

**Minutes Approval:** The minutes of the April 4, 2023 meeting were approved.

**Public Comment:** There was none.

### Policy Committee:

- **Policy 3.3 Library of Things – Revisions**

Howard explained that there needed to be a few changes to this policy because it contradicted with other policies. The changes included removing the requirement to be over 18 to borrow a laptop and hotspot. Additionally, it added an indemnification clause to the policy itself instead of having a separate agreement for patrons to sign. There was much discussion. It was motioned by Pakieser and seconded by Wescott to forward this for Board approval at the June Board meeting. All were in favor.

- **New Policy 4.10 Security Camera Policy**

Howard explained that the library did not have a policy and under advice of legal counsel, we should adopt the policy. There was much discussion. It was motioned by Wescott and seconded by Pakieser to forward this for Board approval at the June Board meeting. All were in favor.

### Personnel Committee:

- **Employee Handbook Approval**

Howard explained that Carpenter, Baldwin and herself revised that handbook. It was then sent to legal counselors, Adams and Zeits. The final revision of the handbook must be approved by the Board. It was motioned by Pakieser and seconded by Wescott to forward this for Board approval at the June Board meeting. All were in favor.

**Next Meeting Date / Time:** August 1, 2023 at 10:00 am.

**Next Meeting Topic Suggestions:**

**Public Comment:** None

**Adjournment:** The meeting adjourned at 11:16 am.



## Purpose

The Traverse Area District Library 'Library of Things' is a collection of non-traditional library items (herein referred to as a Thing or Things) that complement the Library's mission of providing dynamic resources and innovative services to stimulate intellectual curiosity, facilitate lifelong learning, promote literacy, and nurture personal enrichment.

## Borrowing and Use

- **Borrowing parameters of all Things shall follow the Library's Borrowing and Library Account Policy.**
- Things must be checked out from and returned directly to the same Service Desk of the lending library from which the Things were borrowed.
- A fine will be added to the borrowers account if any Things are returned to the book drop or left somewhere outside or inside the library.
- ~~A valid TADL library card with no suspensions imposed per Library and Account Policy is required to borrow a Thing.~~
- If circumstances warrant, the Library reserves the right to refuse a borrower the use of items from the Library of Things or to discontinue borrowing privileges for items in the Library of Things collection.
- 

## Lending Periods and Fines

- Loan periods and overdue fines for Things can vary by item.
- ~~Things may be renewed unless another patron has a hold on the it.~~
- ~~Overdue fines vary depending on the Thing. The maximum overdue fine will equal the replacement cost.~~
- Based on Michigan Penal Code, Act 328 of 1931, MCL 750.362 and 362a, which provide that any person who converts for their own use or fails to return rented tangible library property shall be guilty of larceny, and be prosecuted for a misdemeanor: If the Thing is more than 30 days overdue, it will be considered lost or converted to personal use and the borrower will receive a bill to cover the replacement cost of the Thing. If a billed item is returned in good condition, the bill will be removed from the borrower's account, but the borrower will be responsible for all overdue fines.
- 
- 

## Responsibility and Liability

- By checking out a Thing, borrower agrees to follow all Library policies, **all Library of Things lending guidelines**, and all state and federal laws governing the use of that item.
- ~~By checking out a Thing, the borrower agrees to the TADL 'Library of Things' Lending Policy and the Lending rules for the Thing.~~

- The borrower is solely responsible for the Thing and will be billed for the repair or ~~replacement~~ cost associated with any damage or loss of a Thing and/or ~~its~~ accessories excluding normal wear and tear.
- The library **is providing the Thing “as is” and** is not responsible for any defects in any borrowed Library of Things.
- **The Borrower shall hold harmless and release the Library, its officers, agents, employees and volunteers from and for any and all liability, claims, demands, actions or rights of action, including but not limited to claims of injury, wrongful death, property damage, stolen or lost property, which are related in any way to or are in any way connected with borrowing or use of the Thing whether caused by any defect in the Thing, negligent acts or omissions of the Library, its officers, agents, employees and volunteers, or otherwise arising out of or in any way related to or connected with borrowing or use of the Thing.**
- **The borrower or the parent or guardian of a borrower less than 18 years old shall defend, indemnify and hold harmless the Library, its officers, agents, employees and volunteers from claims of injury, wrongful death, property damage, stolen or lost property, which are related in any way to or are in any way connected with borrowing or use of the Thing, of third parties or the borrower if less than 18 years old in connection with the borrower’s borrowing or use of the Thing. This indemnification obligation shall exclude only those claims brought as a result of the Library, its officers, agents, employees, or volunteers’ sole negligence, is not to be construed as a waiver of the defense of governmental immunity that may be asserted by the Library, its officers, agents, employees or volunteers, and shall continue for the applicable period of limitations for any claims, liabilities or actions.**
- If any borrowed Thing becomes unsafe or in a state of disrepair, the patron must immediately discontinue use of the item and notify the library of the issue upon returning the Thing.
- ~~A list of replacement costs of Things is maintained by the Library and is available for viewing upon request.~~
- The Library is not responsible for the loss of data while using a Thing.
- The Library is not responsible any consequences for the borrower’s actions while using the Thing.
- The Library will apply any required rules or regulations to its Things.

#### Care and Operation

- The Thing may only be used, operated, and cleaned in compliance with TADL’s policies, intended use, and manufacturer’s guidelines.
- ~~Borrower shall not make any modifications or alterations to the Thing.~~
- Use care and safety when handling and using the Thing.
- Return the Thing with all parts, components and accessories.
- ~~Do not attempt to repair a Thing.~~
- **Borrowers shall not repair, replace, modify, or alter a Thing.**

## 4.10 Surveillance Policy

### PURPOSE

Security cameras are used to enhance the safety and security of Traverse Area District Library (TADL) users and staff by discouraging violations of the TADL Behavior Policy, to assist library staff in preventing the occurrence of any violations, and when necessary, to provide law enforcement assistance in prosecuting criminal activity.

### SECURITY CAMERA GUIDELINES

1. The security cameras only capture video images. Conversations or other audible communication shall not be monitored or recorded by the security cameras.
2. Cameras may be installed in outdoor and indoor places where individuals lack a reasonable expectation of privacy. Examples include public common areas of the library such as parking lots, entrances, seating areas, service desks, and areas prone to theft or misconduct, or areas where money is stored or handled.
3. Cameras will not be installed in areas of the Library where individuals have a reasonable expectation of privacy such as restrooms or private offices.
4. Signs will be posted at all entrances informing the public and staff that security cameras are in use.
5. The Library has no obligation to monitor the cameras in real time. As the cameras are not constantly monitored, Library staff and the public should continue to take appropriate precautions for their safety and for the safety of their personal property. The Library is not responsible for the loss of property or personal injury.
6. Recorded data is confidential and secured in a controlled area. Video recordings will typically be stored according to the library's Record Retention Schedule established by the State of Michigan for Public Libraries. As new images are recorded, the oldest images will be automatically deleted.
7. Requests for images arising from an approved FOIA action, subpoena, or court order, will be preserved until those requests or orders are resolved.
8. Regarding the placement and use of the digital recording cameras, staff and patron safety is the first priority; protection of library property is of secondary importance.
9. Cameras are not installed and will not be used for the purpose of routine staff performance evaluations; they may be used in the case of staff malfeasance, misconduct, or in the case of policy violations.
10. Only the Director and Assistant Director of Technology have the authority to approve access to security camera logs and recorded footage.

### USE/DISCLOSURE OF VIDEO RECORDS

1. The Director or their designee may access archived video footage for the purposes of investigation of injury, criminal activity, or violation of library policies.
2. Library staff have access to real-time images, viewable on desktop monitors placed in secure areas to ensure private access. The frequency of viewing and the amount of video viewed will be limited to the minimum needed to assure safety, give assurance

that the system is working, or to ascertain if footage is available relative to a specific incident.

3. Video records and still photographs may be used by the Director or their designee to identify those responsible for library policy violations, criminal activity on library property or actions considered disruptive to normal library operations as delineated in the Library Code of Conduct.
4. In situations involving banned patrons, stored still images may be shared with staff system- wide. Shared images may remain posted in restricted staff areas for the duration of the banning period.

**UNAUTHORIZED ACCESS AND/OR DISCLOSURE**

1. Recorded video surveillance images made solely for security purposes that do not include images of any activity or any other document or record that identifies a person as having requested or lawfully obtained specific services, materials, or information resources from a library are not considered a “Library Record” and may be disclosed. The Director or their designee will determine whether the images can be disclosed without a court order or written consent. Recorded Video Surveillance will only be disclosed pursuant to the Michigan Freedom of Information Act policies if permitted by Michigan law (MCL 15.231 et seq) and Library policy.
2. Any form of unauthorized viewing or capture, digital or otherwise, is strictly prohibited. No staff member may download recorded footage, capture a recorded or live image by photograph, or make video copies of security camera recordings or live footage.
3. A breach of this policy may result in disciplinary action up to and including dismissal. Any library employee who becomes aware of any unauthorized disclosure of a video recording and/or a potential privacy breach has a responsibility to immediately inform the Director of the breach.

**DISCLAIMER OF RESPONSIBILITY**

A copy of this policy may be shared with any patron or staff member upon request. The policy is also posted on the TADL’s official website.

Questions from the public regarding this policy may be directed to the Library Director.

The Library disclaims any liability for use of the video data in accordance with the terms of this policy, given that the library is a public facility and the security cameras shall be limited to those areas where patrons and/or staff have no reasonable expectation of privacy.

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New Policy Adopted June 15, 2023

Motion by: \_\_\_\_\_

Supported by: \_\_\_\_\_

Adopted: Y N

Date: \_\_\_\_\_

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P. Deyo, Board Secretary

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# Traverse Area District Library Employee Handbook






Woodmere Main Library \* East Bay Branch \* Kingsley Branch

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# TRAVERSE AREA DISTRICT LIBRARY EMPLOYEE HANDBOOK

## OUR MISSION

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**The mission of the Traverse Area District Library is to provide dynamic and innovative services to stimulate intellectual curiosity, facilitate lifelong learning, promote literacy, and nurture personal enrichment.**

As a member of the TADL team, you will be expected to contribute your talents and energies to support our mission and strategic plans to continually improve the environment and quality of our library as well as its services. In return, you will be given opportunities to grow and advance in your career, and to be part of an essential resource within our community.

## PURPOSE AND SCOPE OF THIS HANDBOOK

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The purpose of the TADL Employee Handbook Handbook (“Handbook”) is to inform you about TADL’s history, philosophy, employment practices and policies, the benefits provided to you as a valued employee, and the conduct expected from you.

No employee Handbook can answer every question, nor would we want to restrict the normal question and answer interchange among us. It is through person-to-person conversations that we get to know each other better, express our views, and work together in a harmonious relationship.

We ask that you read this Handbook carefully and refer to it when questions arise. TADL’s policies, benefits and rules, as explained in the Handbook, may be changed from time to time at the discretion of the TADL Board and/or due to changing legal requirements. We will make every reasonable effort to notify you of such changes.

This Handbook is not intended, nor does it constitute a contract or contract of employment of any nature whatsoever. Employees represented by Teamsters Local 214 have certain rights pursuant to a collective bargaining agreement (CBA) between the Library and the Union, which shall supersede any conflicting provisions between the CBA and of the Handbook. Employees who are not covered by the CBA are employed at will. This means that you are free to terminate your employment at any time for any reason or no reason at all, and the Library possesses these same rights. No contract for a definite period of employment between TADL and any employee shall be valid or enforceable unless it is in writing and signed by TADL’s Director.



## CHAPTER ONE: AN OVERVIEW OF TRAVERSE AREA DISTRICT LIBRARY

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### A. WHERE WE'VE BEEN AND WHERE WE'RE GOING

---

Library service in Traverse City had very early beginnings. The Library District started out as a small Ladies Library Association in 1869. The "Carnegie" library building, which was built on Sixth Street and dedicated in 1905, became known as the Traverse City Public Library, operating under the umbrella of the City of Traverse City. In 1966, as Traverse City continued to grow, a substantive, modern addition was made to the Library, increasing its capacity. In January of 1983 an independent library district was formed to provide service to all of Grand Traverse County. The creation of the Traverse Area District Library (TADL) consolidated and further expanded library operations into a federated system that included the former Traverse City Public Library and the public libraries in Fife Lake, Interlochen, and Peninsula Township. In the 1980's East Bay Branch and the Kingsley Branch Library were added, operating under the governance of the Traverse Area District Library. Today, TADL has contractual relationships with three Member Libraries: Fife Like Public Library, Interlochen Public Library, and Peninsula Community Library, which operate under the governance of their own boards.

After outgrowing the space on Sixth Street, county voters passed a successful millage and bond, allowing TADL to build a new building at 610 Woodmere Avenue, which was completed and became operational in January 1999. Today, the Woodmere Avenue location serves as TADL's Main Library also operating many "Libraries on the Go," including without limitation the TADL Bookmobile, TADL Book Bike, and the Digital and & Streaming Libraries.

### B. CULTURE AND VISION

---

TADL values a culture of growth and connectedness, both in its staff and its community of patrons. At its core, TADL incorporates a deep-seated *principle* of service and integrity of good stewardship of taxpayer resources.

#### FOUNDATIONS AND BELIEFS

---

- We believe everyone deserves access;
- We believe in the power of information;
- We believe in connecting our community;
- Libraries actively promote literacy and reading;
- Libraries provide services that reflect and enhance the cultural interests of the community;
- Libraries are comfortable, accommodating and accessible;
- Library services are flexible and open to the evolving needs of the community;
- Libraries provide organized access to uncensored global information and knowledge through electronic, print, and other media;

- Libraries provide materials and services which help patrons understand and respond to personal and social issues;
- A good library provides good library services equally to all members of the community;
- Reference materials and information services provide answers to patrons' questions; and
- Community involvement improves library services.

## C. DISTRICT STRUCTURE

---

### LIBRARY BOARD

There are seven members of the TADL Board of Trustees. All trustees are appointed to a four-year term, with five members appointed by the Grand Traverse County Commission, and two members appointed by the Traverse City Commission. The TADL Board of Trustees hires and evaluates the Library Director, sets policy and approves the annual budget for the Main Library, East Bay Branch Library and Kingsley Branch Library, and negotiates service agreements with each Member Library. Regular monthly meetings of the full Board are held on the 3rd Thursday of each month unless otherwise posted. Board Committee meetings are held monthly on an as needed basis.

### LIBRARY FINANCES

TADL is a District Library which operates as a governmental entity and taxing authority. TADL receives funds from Grand Traverse County, Elmwood Township in Leelanau County, and Almira and Inland Townships in Benzie County. Funds are also received from the State of Michigan, local penal fines, grants, donations, and various fees.

### LIBRARY DEPARTMENTS

#### ADMINISTRATION

The TADL Administration consists of a Library Director and an Administrative Team as designated by the Director. This team is responsible for leading and managing the library and seeing that the policies of the Board of Trustees are carried out.

#### CIRCULATION

Circulation assists patrons at the Welcome Desk with circulation of library materials and handles patron account services.

#### TECHNICAL SERVICES (PROCESSING)

Technical Services is responsible for processing materials for circulation and maintaining accurate online catalog records.

### ADULT SERVICES

Adult Services helps patrons find information and materials from our collection or through inter-library loan services, and offers engaging programs for patrons.

### TECHNOLOGY CENTER

The Technology Center offers adult patrons stationary and laptop computer options to access the Internet and basic business software programs. Services also include printing, faxing, 3D printing, scanning, and other technologies.

### SIGHT AND SOUND AND THE LIBRARY OF THINGS

Sight and Sound provides audio-visual materials and equipment for circulation and a “Library of Things” which is a collection of non-traditional library items that complement the Library’s mission.

### TEEN SERVICES

Teen Services provides programs, digital services, and a selection of materials targeted to youth with reading levels from grade seven through high school/early college.

### YOUTH SERVICES

Youth Services provides appropriate traditional and non-traditional materials for children and their grown-ups, from the womb through a reading level of grade seven, and programs that support child growth and development.

### TALKING BOOK LIBRARY

Working in conjunction with the National Library Service, the Talking Book Library provides free audio and Braille services to people of all ages with temporary or permanent low vision, blindness, reading disability or a physical disability that prevents them from reading or holding the printed page to residents in Grand Traverse, Antrim, Benzie, Kalkaska, Leelanau, Manistee, Missaukee, and Wexford counties. It also provides outreach and reader's advisory service.

### MOBILE AND DIGITAL “LIBRARIES ON THE GO”

Mobile and Digital Libraries are service offerings available outside the library walls via multiple means, such as Outreach programs to specialized groups, Bookmobile, Book Bike, 24/7 website access, Hotspots, Wi-Fi service on the property, and more.

### BRANCH LIBRARIES

Branch Libraries include East Bay Branch Library and Kingsley Branch Library. As branches, they are included as part of the TADL Main Library operational structure. Branch libraries provide full library service to all TADL patrons.

## MEMBER LIBRARIES

Member Libraries include Fife Lake Public Library, Interlochen Public Library, and Peninsula Community Library. As Member Libraries, their materials are accessible in the TADL catalog and they operate with the same circulation and borrowing policies as the Main Library to ensure a unified borrowing experience for all patrons in the district. The Member Libraries are otherwise governed by their own Directors, Board of Trustees, and budgets.

## D. WHAT YOU CAN EXPECT FROM TADL

---

You can expect Traverse Area District Library to:

- ✓ Operate a District Library with the most economical and judicious use of taxpayers' money.
- ✓ Select people on the basis of skill, training, ability, attitude, and character without discrimination.
- ✓ Provide the necessary training to support library services.
- ✓ Provide paid time off (PTO) days and holidays to all eligible employees.
- ✓ Provide eligible employees with medical and other benefits.
- ✓ Dedicate its resources to the highest quality of service to both external and internal customers.
- ✓ Develop competent employees who understand and meet TADL objectives, and who accept with open minds the ideas, suggestions and constructive criticism of fellow employees.
- ✓ Assure employees that they can discuss any problem with the administration of TADL.
- ✓ Make prompt and fair adjustment of any complaints that may arise in the everyday conduct of our business, to the extent that it is practicable.
- ✓ Respect individual rights, and treat all employees with courtesy and consideration.
- ✓ Maintain mutual respect in our working relationship.
- ✓ Provide buildings and offices that are attractive, comfortable, orderly and safe.
- ✓ Encourage and welcome all thoughts and ideas, no matter what position an employee holds.
- ✓ Make promotions or fill vacancies from within TADL in accordance with the Teamsters Union agreement.
- ✓ Keep all employees informed about the overall aims and objectives of TADL.
- ✓ Do all these things in a spirit of friendliness and cooperation so that TADL will continue to be known as a great place to work.



## CHAPTER TWO: UNION RECOGNITION

---

TADL recognizes the Teamsters State, County, and Municipal Workers Local 214, affiliated with the International Brotherhood of Teamsters, as the exclusive collective bargaining agent for all

regular employees of the Library (after expiration of their 90-day probationary period), excluding exempt, temporary, and irregular part-time employees, as defined in the collective bargaining agreement.



## CHAPTER THREE: STANDARDS OF CONDUCT

---

By accepting employment with TADL, employees are required to adhere to certain rules of behavior and conduct. The purpose of these employment rules is to define and protect the rights of all to ensure an effective working environment, and promote harmonious relationships.

### A. WHAT TADL EXPECTS FROM YOU

---

TADL expects you to know the duties of your position and to perform them promptly, correctly and pleasantly. You are also expected to cooperate with your co-workers and perform every task to the very best of your ability. This will result in better performance for the library overall, and greater personal satisfaction for you.

### B. CUSTOMER RELATIONS

---

The success of TADL depends upon the quality of the relationship between our employees, our library patrons and the general public. Community impressions of TADL and the interest and willingness of residents to use our services are greatly formed by the people who serve them. In a word, you are TADL's ambassador. The more goodwill you promote, the more our patrons will respect and appreciate you. There are several things you can do to help give patrons a good impression of TADL:

1. Represent the Library in a positive, respectful, and ethical manner.
2. Act competently and interact with patrons in a courteous and respectful manner.
3. Work in a cooperative manner with supervisors, co-workers, patrons, trustees, and vendors.
4. Follow up on questions promptly, provide business-like replies to inquiries and requests, and perform all duties in an orderly manner.
5. Take great pride in your work and enjoy doing your very best.

### C. COMMUNICATIONS

---

We are in the people and information business. Communication of information with our patrons and our co-workers is essential to the Library in all aspects. Employees should expect to engage in various forms of communication based on circumstances. The staff portal serves as the common place for employees to communicate with each other and share important information, such as procedures and announcements. Communication styles include but are

not limited to direct person-to-person contacts, electronic means via email or text, social media, website, phone, newsletters, postings in the staff lounge, flyers, and calendars regarding programs.

#### D. CREATIVE INPUT

---

We welcome your thoughts on innovation and value ALL employees' input and ideas. You matter to us. We will listen to all your ideas, no matter how big or small, including but not limited to those relating to efficiencies, effectiveness, creativity, ground-breaking concepts, safety measures, financial savings, and strategic planning. By sharing and discussing your creative ideas, we can appropriately consider their potential implementation. There is no risk in you contributing your ideas – we value and encourage your input.

#### E. PROBLEM SOLVING

---

Your opinions, suggestions, and questions are important to us and we expect you to express your concerns relating to issues at work to supervisory staff. We will listen to your concerns, provide you with honest, respectful, and straightforward responses to your comments and questions, and seek resolution to such issues.

The first person to notify regarding issues at work is your immediate supervisor. If your supervisor cannot answer your question, obtain the appropriate information, or if the issue involves your supervisor, please feel free to contact the Human Resources Manager, the Assistant Director or the Director.

#### F. CONFLICT OF INTEREST POLICY

---

State law governs TADL when it is contemplating entering into a transaction, contract, or other arrangement that could benefit the private interests of an officer, director, or employee of the Library. (MCL 15.321 *et seq.*) In the event that any Library employee, or any business in which an employee or his/her spouse or child has an ownership interest, has a financial interest in a prospective contract or other arrangement with the Library, the employee must immediately disclose the financial interest to the Library Director prior to execution of the contract by the Library, and prior to consideration of the contract by the Library Board. In this circumstance, the employee is prohibited in taking part in the negotiations for the contract, or from representing either party to the transaction. In compliance with TADL Policy 7.1 Conflict of Interest, employees are required to complete an annual conflict disclosure statement.

#### G. CODE OF ETHICS

---

Libraries and library professionals have a sacred duty to foster and protect intellectual freedom and freedom of access to the information, ideas, and creative expression upon which a free society depends. Our political system depends on the judgment and guidance of an informed and enlightened citizenry. Public libraries have a profound public



responsibility to select, organize, preserve, and provide free and open access to information and ideas that serve the interests of present and future generations.

Employees shall abide by the following guiding principles and Code of Ethics framework:

1. We are dedicated to fostering a culture of service to the public. We strive to provide the highest level of service to all library users through appropriate and usefully organized resources, equitable service policies, equitable access, and accurate, unbiased, and courteous interactions with all library users.
2. We uphold the principles of intellectual freedom and resist efforts to censor library resources.
3. We protect each library user's right to privacy and confidentiality with respect to information sought or received and resources consulted, borrowed, acquired or transmitted.
4. We respect intellectual property rights and advocate balance between the interests of information users and rights holders.
5. We treat patrons and co-workers and other colleagues with respect, fairness, and good faith, and advocate conditions of employment that safeguard the rights and welfare of all employees of our institutions.
6. We do not advance private interests at the expense of library users, colleagues, or our employing institutions.
7. We distinguish between our personal convictions and professional duties and do not allow our personal beliefs to interfere with fair representation of the aims of our institutions or the provision of access to information resources and all library collections.
8. We strive for excellence in the profession by maintaining and enhancing our own knowledge and skills, by encouraging the professional development of coworkers, and by fostering the aspirations of potential members of the profession.

#### H. SOCIAL MEDIA

---

The Library is committed to using current forms of social media for enhanced accessibility to Library patrons in our service district and to promote Library services, resources, programs and events with responsiveness and professionalism to maintain a positive image. Social media is defined as a web application, presence, or account created and maintained by TADL.

Designated employees will have access to TADL's social media accounts to manage certain types of content and features. Any employee making a general post to any of TADL's social media accounts is fully responsible for their comments and must include a disclaimer reflecting that their expressed content is not made in relation to their professional duties as an employee of TADL. Any employee who is determined to have violated this Social Media policy will be subject to disciplinary action, up to and including termination of employment.

## I. CIRCULATION RULES

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The Library materials collection is for sharing with everyone on an equal basis. TADL staff is expected to abide by the same Circulation and Inter-library Loan Policies as our patrons. All items, even if used for Library purposes, must be checked out and accounted for, as follows:

- If you borrow something personally, check it out on your library account.
- If an item is overdue, lost, or damaged, you will be required to pay for it.
- Items in use for work purposes and not in their proper shelving location must be checked out to an appropriate library use only card.
- Fees from inter-library loans are the responsibility of the employee.

## J. CONFIDENTIAL INFORMATION AND LIBRARY PRIVACY ACT

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Library patrons entrust TADL with important information relating to their personal life. Confidentiality is of utmost importance and employees are prohibited from accessing patron information (including books checked out, website use, and other personal information) out of curiosity or for any other purpose not related to performing their assigned job duties at TADL. Your employment with TADL assumes an obligation to maintain such confidentiality even after you leave your employment with TADL.

The Library Privacy Act of 1982 explicitly prohibits the disclosure of any record or information that identifies a patron or any materials requested or obtained by that patron without the written consent of the patron with the following limited exceptions:

1. The library or an employee or agent of the library may report information about the delinquent account of a patron who obtains materials from the library to a collection agency under contract with the library. The library or an employee or agent of the library shall provide the collection agency with only the library records necessary to seek the return of overdue or stolen materials or to collect fines from the patron.
2. The library or an employee or agent of the library may disclose library records to another library or library cooperative for the purpose of conducting interlibrary loans. The library records must be limited to those required for providing interlibrary loans.
3. The library or an employee or agent of the library may provide a sworn statement or

testimony to a law enforcement officer based solely on the personal knowledge of the employee or agent of the library regarding a crime alleged to have occurred at the library.

4. A court has ordered the release or disclosure.

The Library will resist the issuance or enforcement of any process, order or subpoena regarding a patron or a patron's use of library materials until such time as the proper showing of good cause has been made in a court of competent jurisdiction. In light of the very restrictive nature of the Library Privacy Act, employees should obtain advanced authorization from the Director before any disclosure of a patron's library record.

Similarly, employees are not permitted to monitor or disclose patron use of the internet without consent of the patron, or under certain very limited circumstances which are authorized in advance by the Director.

Employees who disclose patron information without the proper permission may be violating state law. Such actions will result in disciplinary action up to and including termination of employment and may also subject the employee, individually, to legal action.

#### K. WORKPLACE BULLYING AND CIVILITY COMMITMENT

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TADL is committed to civility in the workplace. Workplace bullying, which is defined as repeated, health-harming mistreatment of an employee by one or more fellow employees, will not be tolerated; this includes without limitation, abusive conduct, whether verbally or otherwise, conduct perceived as threatening, intimidating, or humiliating, work sabotage, or other similar types of conduct. Employees who observe or experience workplace bullying should immediately report such conduct to their immediate supervisor, an Assistant Director or the Director. All complaints of workplace bullying will be promptly and thoroughly investigated. Any employee who is found to have violated this policy will be subject to disciplinary action up to and including termination of employment. Workplace bullying is distinguishable from harassment which is based on a person's protected classification, such as race, age, national origin, gender, sexual orientation, gender identity, or any other legally-protected classification.

#### L. VIOLENCE IN THE WORKPLACE

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TADL recognizes the need to provide for the safety and security of all employees and visitors. In doing so, TADL is complying with Section 5(a) of the Federal Occupational Health Safety and Health Act of 1970 (OSHA). TADL will not tolerate threats, threatening behavior, or acts of violence against employees, patrons, or other individuals by anyone on TADL's property. This includes physical attacks, verbal or physical threats, destruction of property, any type of harassment based on a protected classification, intimidation or abusive language.

Workplace violence includes but is not limited to harassment, threats, physical attacks and property damage, which are defined as:

- Threat - the expression of intent to cause physical or mental harm. An expression constitutes a threat without regard as to whether the party communicating the threat has the present ability to carry it out and without regard as to whether the expression is contingent, conditional or future.
- Physical attack - unwanted or hostile physical contact such as hitting, fighting, pushing, shoving, biting, spitting, and throwing objects.
- Property damage - intentional damage to property which includes property owned by TADL, its employees, or patrons.

#### PREVENTION

TADL supports the prevention of workplace violence. Prevention efforts include informing employees of this policy, instructing employees regarding the dangers of workplace violence, communicating the sanctions imposed for violating this policy, and providing a reporting procedure to report incidents of violence without fear of retaliation.

#### PROHIBITED ACTIONS AND SANCTIONS

It is a violation of this policy to engage in any act of workplace violence. No employee or third party is permitted to bring any weapons, including but not limited to firearms, explosives, ammunition, or knives, into the workplace, on TADL property, or within TADL vehicles, unless there is a work-related purpose and the employee has received the prior written approval of the Director.

Any person who, in the opinion of the Director or Director's designee, poses a threat to self or others shall be removed from the premises and shall remain off TADL's premises pending the outcome of an investigation. In the event that the person involved is a patron, other non-employee, or if the accused person is an employee and involves potential violation of a law, law enforcement will be contacted. If the person is an employee, and the Library determines through investigation that the employee violated this policy, the employee will be subject to disciplinary action up to and including termination of employment. Depending on the circumstances, such employee may also be subject to possible criminal prosecution as determined by law enforcement.

#### EMPLOYEE RESPONSIBILITY

Any employee having knowledge of a threat or incident of workplace violence involving any other employee (as victim or perpetrator) is required to immediately report such an act to their immediate supervisor, Human Resources Manager, an Assistant Director or the Director. Disciplinary action may result if an employee having knowledge of a suspected violent act fails to report the episode.

All employees who apply for or obtain a protective or restraining order which lists TADL's property or TADL's facilities as being protected areas must provide this information to the Director. When presented with such an order, TADL reserves the right to take measures as it deems reasonable under the circumstances.

TADL and its employees shall cooperate fully with police and other law enforcement officials in the investigation and prosecution of any potential criminal conduct. TADL understands the sensitivity and confidentiality of the information requested, and recognizes and will respect the privacy of the reporting employee(s) to the extent authorized by law.

All employees should openly communicate with each other to be aware of any unusual activity that may identify the potential for or actual occurrence of workplace violence.

Recommendations for improved safety often come from suggestions of employees. These suggestions are encouraged and may be channeled through your immediate supervisor, Human Resource Manager, an Assistant Director or the Director.

#### MANAGING A POTENTIALLY VIOLENT SITUATION

Employees are expected to assist the general public and fellow employees in a courteous manner, but not subject themselves to abusive conduct if confronted by the following situations:

- *A distraught, harassing, or abusively angry person:* If a person becomes angry or abusive, the employee should courteously attempt to calm the person down. If that does not work, the employee should request their immediate supervisor, an Assistant Director or the Director to intervene and assist. The supervisor should attempt to calm the person, inform them that they cannot serve the individual if they do not calm down, and be alert to potential danger to staff and others. Any employee attempting to approach a difficult patron must have another employee assist with the interaction.
- *A person threatening bodily harm:* Any employee who feels under threat personally or observes another person under threat and there is potential danger of imminent bodily harm must:
  - Attempt to leave the scene if it can be done safely;
  - Call 9-1-1 as soon as it can be done safely; and
  - Notify a supervisor/Assistant Director and the Director as soon as it can be done safely.

An Incident Report should be entered on the Staff Portal according to the Library Behavior Policy.

#### M. SAFETY, SECURITY AND SURVEILLANCE

Maintaining the security of the TADL buildings is every employee's responsibility. All employees are expected to adhere to the Library behavior policy which is available on the staff portal,

website, and printed manuals at each service desk to help maintain staff and patron safety. The Library has surveillance cameras strategically located throughout the public areas of the building. This is in an effort to provide a more secure physical setting for staff and patrons.

The Library may employ security guards if needed. If you or a co-worker are in immediate danger/under threat call 9-1-1. If you are uncomfortable with a patron or stranger around the building, dial 7-1-1 from any library phone to simultaneously notify all administrators for assistance.

#### N. UNACCEPTABLE ACTIVITIES

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This list is not all-inclusive nor is it intended to cover every situation. Violations of any of the following activities may be subject to disciplinary action, up to and including termination of employment:

- Making or publishing statements concerning any board member, employee, or the library, if those statements are vicious, defamatory, malicious, or known to be false.
- Unauthorized possession of firearms, weapons or explosives on library property or while on duty.
- Any type or act of harassment, discrimination or retaliation in violation of TADL's policies.
- Engaging in physical or verbal criminal conduct, assault, or acts of violence, or making or provoking threats of violence toward anyone on library premises or when representing TADL.
- Engaging in an act of sabotage; willful or acting with gross negligence causing the destruction or damage of library property, or the property of fellow employees, or patrons in any manner.
- Theft of library property or the property of fellow employees; unauthorized possession or removal of any library property without prior permission from management; unauthorized use of library equipment or property for personal reasons; using library equipment for profit.
- Willful violation or failure to observe security safety rules and practices; tampering with TADL equipment or safety equipment.
- Dishonesty, falsification or misrepresentation on your application for employment, timekeeping or other workplace records; lying about personal leave; falsifying reason for a leave of absence or other data requested by TADL; alteration of library records or other library documents.
- Willful violation of any library rule.
- Being under the influence of alcohol or controlled substances while at work; use, possession, or sale of controlled substances while on library premises.

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- Indifference, rudeness, obscenity, or abusive behavior toward any patron, supervisor, fellow employee or individual group or vendor associated with library business.
- Threatening, intimidating, bullying, or coercing fellow employees for any purpose.
- Disclosure of confidential or proprietary TADL information without authorization.
- Insubordination, acting disrespectful and/or refusing to carry out instructions properly issued by your supervisor pertaining to your work.
- Creating or contributing to unsanitary and/or unsafe working conditions.
- Failure to immediately report damage to, or an accident involving library equipment.
- Malicious gossip and/or spreading rumors; engaging in behavior designed to create discord and lack of harmony; interfering with another employee on the job.
- Excessive absenteeism or tardiness without authorization; an employee shall be deemed to have resigned with any three (3) consecutive days of unauthorized absence.
- Unsatisfactory or careless work; failure to meet quality standards as explained by your supervisor; mistakes due to carelessness or failure to obtain necessary instructions.
- Sleeping on the job; loitering or loafing during working hours.
- Use of a TADL computer and/or TADL computer systems, including internet and email in an excessive manner that is unrelated to job duties.
- Any other conduct which the library deems, in its discretion, to be unacceptable conduct.

### O. OUTSIDE WORK

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If you are employed by TADL in a full-time position, TADL will expect that your position here is your primary employment. You are required to request permission from your immediate supervisor prior to accepting a second job while employed full-time by TADL. A second job must not interfere with your ability to properly perform your job duties at TADL. If TADL determines that a second job is interfering with your ability to perform your job duties at TADL, management may require you to cease employment in your second job, as TADL is your primary employer. Any employee who is advised to cease employment in a second job and refuses to do so shall be subject to termination of employment.

### P. DISCIPLINARY ACTIONS

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TADL reserves the right to discipline non-union employees as necessary, through verbal coaching, written warnings, performance improvement plans, suspension, demotion, termination or any combination thereof. It is recognized, however, that the principles of progressive discipline will normally be followed, except in serious cases, to be determined on the sole discretion of the employer. Union employees are subject to discipline on a just cause basis, as set forth more fully in the then-current union contract.



## CHAPTER FOUR: EMPLOYMENT CLASSIFICATIONS & PERFORMANCE

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At the time you are hired, you are classified as regular full-time, regular part-time, temporary or irregular part-time employees, and classified as exempt or non-exempt status.

### A. EXEMPT EMPLOYEES

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Employees who are qualified as exempt under the Fair Labor Standards Act are full-time, regular employees who are paid on a salary basis, and are regularly scheduled to work forty (40) hours per work week. Exempt employees are not entitled to overtime, but may accrue a Comp Time balance for time worked over forty (40) hours in the work week which can be used in the same manner as Paid Time Off. As TADL values the employee's well-being and work-life balance, it is recommended that any Comp Time hours be used regularly, maintaining a low Comp Time balance. Upon termination of employment, any unused Comp Time will not be reimbursed.

### B. NON-EXEMPT EMPLOYEES

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Employees who are non-exempt are paid on an hourly basis and are eligible for overtime pay. All overtime assignments must be pre-approved by the Director.

#### REGULAR FULL-TIME EMPLOYEES (COVERED UNDER THE UNION AGREEMENT)

Employees who are hired with the understanding that they are to be full-time, who have successfully completed the Introductory Period and are regularly scheduled to work thirty-seven (37) to forty (40) hours per week are listed as regular full-time employees as described in the then-current collective bargaining agreement. Such employees are eligible to participate in any fringe benefit programs sponsored by TADL.

#### REGULAR PART-TIME EMPLOYEES (COVERED UNDER THE UNION AGREEMENT)

Employees who are hired with the understanding that they are to be part-time and who are regularly scheduled to work twenty (20) to twenty-nine and one-half (29.5) hours per week are listed as regular part-time employees as described in the then-current collective bargaining agreement. Such employees are eligible to participate in any fringe benefit programs sponsored by TADL for which they qualify.

#### IRREGULAR PART-TIME EMPLOYEES

Employees hired as part-time but not meeting the criteria for regular part-time employees are classified as irregular part-time employees. Irregular part-time employees are regularly scheduled to work nineteen and one-half (19.5) hours or less per week (unless authorized to work more hours on a short-term basis), and are not eligible to participate in any fringe benefit programs sponsored by TADL, unless required by law.



## TEMPORARY EMPLOYEES

From time to time, TADL may hire employees for seasonal work or work based on completion of a specific project. An employee hired under these conditions will be considered a temporary employee. Appointment to temporary positions may be for a period not to exceed twenty-five (25) continuous weeks per year. Temporary Employees are not eligible to participate in any fringe benefit programs sponsored by TADL, unless required by law. If at the completion of the temporary position it becomes a regular position, that position will be filled in accordance with the then-current union agreement.

## C. PERFORMANCE REVIEWS AND JOB DESCRIPTIONS

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Performance reviews are an important part of your personnel record. Reviews permit a free interchange of dialog between the employee and the supervisor to reflect upon the past year's performance, recognize job performance celebrations, allow for professional growth opportunities, discuss areas that require improvement, promote optimal patron service, and/or focus on training and goals of/for the employee and the Library.

During the annual performance review, the following competencies will be considered, including but not limited to:

- Attendance and initiative
- Job knowledge, skills and accountability
- Customer service and professionalism
- Quality and quantity of work performed
- Adherence to the library mission and strategic plan
- Continued education/training opportunities and goal setting

Ninety (90) day Probationary Performance Reviews are conducted for all new hires and for all position changes resulting in new duties and responsibilities. Your job description will be reviewed during your annual performance review to ensure the position duties and responsibilities are up-to-date and accurate from the employee and employer's perspective and expectations.

## D. ABSENCE OR LATENESS

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All employees are expected to maintain satisfactory attendance and report to work on time every day. Unscheduled absences, late arrivals and early departures should be kept to a minimum as frequent and/or excessive unscheduled absences, including late arrivals and early departures, place an unfair burden on co-workers. An employee who has eight (8) or more days of unscheduled absences within a three (3) month period may be subject to non-disciplinary verbal counseling with employee's direct supervisor. Any employee who is absent from work for three (3) consecutive days without authorization is considered to have resigned voluntarily.

If you are unable to report to work or if you will arrive late, please contact your supervisor, or if your supervisor is absent, your department, as soon as possible prior to your scheduled start time so that arrangements can be made for someone to cover your position. If possible, employees must call personally and speak directly with their supervisor. Employees who will be absent for an indefinite period due to illness or emergency must inform their supervisor as to when they will return to work, and an approved leave record may be required for payroll. TADL has the right to require employees to provide a statement from their health care provider justifying their absences due to illness or injury that exceeds three (3) work days.



## CHAPTER FIVE: COMPENSATION AND REIMBURSEMENTS

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### A. SERVICE HOURS

Library hours are subject to change based on operational needs as amended and approved by the TADL Board of Trustees. Library closure days are approved by the TADL Board of Trustees.

- In general, business hours begin 30 minutes before opening.
- Work schedules vary, dependent upon the requirements of each position.
- Employees who have closing duties can expect to work an additional few minutes after closing time to complete the necessary duties.

### B. PAY PERIOD AND HOURS

A normal two-week pay period for exempt employees shall consist of forty (40) hours per work week, and may on occasion exceed forty (40) hours per work week resulting in accumulated Comp Time.

A normal two-week pay period for non-exempt, regular, full-time employees shall consist of seventy-four (74) to eighty (80) hours per pay period, not to exceed forty (40) hours in one work week, with the exception of authorized overtime.

A normal two-week pay period for non-exempt, regular, part-time employees shall consist of forty (40) hours to fifty-nine (59) hours per pay period, not to exceed forty (40) hours in one work week, with the exception of authorized overtime.

### C. BREAKS / REST PERIODS

Employees shall be permitted to take one (1) fifteen (15) minute paid break for every four (4) to six (6) hour shift, and an additional thirty (30) minute unpaid lunch break for a shift of six (6) hours or more. Rest breaks shall not be combined, and shall not be used to reduce the length of the shift to leave early or to extend lunches.

#### D. TIMEKEEPING RECORDS

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By law, TADL is required to keep accurate records of the time worked by employees and employees are accountable for accuracy of their time worked. Employees must complete their time sheets no later than 8:00am on the first Monday following the end of the pay period. Supervisors must have all of their employee's timesheets verified and submitted to payroll by noon on that same day. Employees who fail to properly record their time or timely submit their time sheets may not timely receive their pay for the payroll period.

#### E. PAYROLL DEDUCTIONS

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TADL is required by law to withhold certain deductions from each paycheck. The amount of the deductions depends on your earnings, the number of dependents/exemptions you claim on your W-4 forms, and other factors depending on your employment status. By law, Federal and State income taxes will be deducted from all employees' paychecks. FICA deductions including Social Security and Medicare will be taken from regular part-time employees with less than four (4) years of service and from all irregular employees. Exempt, non-exempt regular full-time, and non-exempt regular part-time employees with more than four (4) years of service are not subject to the Social Security portion of FICA deductions and instead participate in the Municipal Employees Retirement System. All deductions will be itemized on your paycheck stub.

Other types of deductions, depending on eligibility and voluntary enrollment may include, but are not limited to:

- ✓ Insurance Premiums
- ✓ 401(k) Investment Plan Contributions
- ✓ 457 Plan Contributions
- ✓ Union Dues

#### F. WAGE ASSIGNMENTS (GARNISHMENTS)

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TADL is obligated by law to execute any court-ordered wage assignments or garnishments against your wages. The Library will not discipline or retaliate against any employee who is subject to court-ordered wage withholding.

#### G. PAYROLL AND COMPLIANCE PROCEDURES

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TADL is committed to fully complying with all requirements under the Fair Labor Standards Act, including without limitation, those requirements pertaining to deductions from the wages of exempt salaried employees. In that regard, any salaried exempt employee who believes that TADL has made an improper deduction from employee's salaried wages may address this concern through the following complaint procedure:

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1. If an exempt employee believes that TADL has made an improper deduction from employee's salaried wages, the employee should promptly notify the Human Resources Manager of the alleged error;
2. Following notification of the alleged error, TADL will promptly investigate the matter to determine whether the deductions were made in error; and
3. If TADL determines that the deductions were made in error, it will timely reimburse the employee for the improper deductions.

H. OVERTIME PAY

---

From time to time, it may be necessary for you to perform overtime work in order to complete a job on time. All overtime, whether scheduled or incidental, requires approval by the Director or, in the Director's absence, an Assistant Director.

Non-exempt full-time or part-time employees who are required to work more than forty (40) hours per work week shall be paid at the rate of one and one-half (1½) times the regular hourly rate of pay. Salaried, exempt status employees are not eligible for overtime, but shall accrue Comp Time for the additional hours.

I. INCLEMENT WEATHER AND/OR UNSCHEDULED CLOSINGS

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If the Library is *closed* due to inclement weather or power outage, or for any other unscheduled reason, employees who were scheduled to work will be paid for the time the Library was closed and they were scheduled to work. The Director, or Director's designee, will announce a close down of function to local radio stations, social media, and its website. All employees will be notified of a close down by their supervisors.

If the Library is *open* during inclement weather, and in the event that an employee is unable to report to work after a good faith effort due to inclement weather, employees shall have the following options.

<i>Exempt and Non-exempt Regular Full and Part-time Staff</i>
<ul style="list-style-type: none"><li>▪ Take the day off without pay; or</li><li>▪ Use PTO time; or</li><li>▪ Make up the hours during same pay period as scheduled.</li></ul>
<i>Irregular Staff</i>
<ul style="list-style-type: none"><li>▪ Take the day off without pay.</li></ul>

J. VOLUNTEERISM AND ALTERNATIVE COMPENSATION

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In the spirit of the library as a community service, TADL employees are encouraged to engage/serve in community events and to volunteer time and support within the community that we live.

The annual maximum volunteer hours available for compensation by the library are as follows:

- Exempt and Non-exempt regular, full-time employees will be paid up to eight (8) hours of Volunteer Hours per calendar year.
- Non-exempt, regular, part-time employees who regularly work at least twenty (20) hours and no more than thirty (30) hours per work week will be paid up to five (5) hours of Volunteer Hours per calendar year.
- Irregular employees (not including Substitutes) who regularly work less than twenty (20) hours per work week will be paid up to four (4) hours of Volunteer Hours per calendar year.

Volunteer hours eligible for compensation may be used in one (1) hour increments, from one or more settings, and must meet the following conditions:

1. TADL must be a participant/sponsor in the event.
2. Hours are approved by your supervisor.
3. There must be adequate departmental coverage.
4. Volunteer hours must not place employee into overtime for the work week.
5. Employees who volunteer for an event while representing TADL (such as Cherry Festival and Light parades) must act appropriately and in accordance with the Employee Handbook.

Un-used volunteer hours under the maximum allowed per year shall be forfeited and unpaid at year-end. Volunteer hours served beyond the allowed maximum per year shall be unpaid.

#### K. EXPENSE REIMBURSEMENT

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If you plan a purchase for which you expect to be reimbursed by the Library, you are required to obtain documented approval signed by administration in advance of your purchase.

Incidental expenses which may occasionally occur for employees who are not issued Library credit cards for expenses must attach a receipt to their completed designated reimbursement request form for travel, meetings, incidental supplies and other reimbursable expenses.

#### L. TRAVEL AND MILEAGE REIMBURSEMENT

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All travel outside of Grand Traverse County must be pre-approved by the Director. Employees authorized to travel for Library opportunities are expected to incur expenses prudently. Travel reimbursement may include transportation, meals, and incidentals such as parking fees.

Itemized receipts are required for meals and standard receipts are required when obtainable for cash fares claimed as reimbursable which includes items such as taxis, shuttle, ferries, buses, parking meters, bridge tolls, and other public transportation.

Transportation, meals, and lodging incurred for reimbursement must be planned in advance to ensure the most practical cost-effective means. Air and train travel baggage fee reimbursement will cover the cost of one piece of personal luggage. Meal reimbursement will not be made for meals outside of the working hours for partial work days. Per diem limits for lodging, meals, and incidentals may be issued using the Federal Government's General Services Administration per diem rate tool on [www.gsa.gov](http://www.gsa.gov).

If you are approved for use of your own private vehicle for ordinary, daily Library business you will be compensated at the current Federal Standard Mileage Rate. Parking tickets and moving violation fees are not reimbursable.

All work-related travel shall adhere to the current Travel and Procedures policies.

#### M. RESIGNATION

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TADL requests, but does not require, that you provide at least two weeks' notice in the event you intend to leave your employment. Any accrued but unused PTO days will be paid at the time of employment termination, as specified under Termination Pay Out in the Benefits section of this Handbook.

#### N. TERMINATION AND PAYOUT

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Upon voluntary or involuntary termination, retirement, or death, an employee's accrued PTO will be paid out at the employee's current rate of hourly pay. Accrued PTO may not be used as vacation days after the employee's last scheduled day of work. Final paychecks for time worked along with any remaining PTO that does not exceed the terms of the then-current collective bargaining agreement will be issued in accordance with regular pay cycles. Payout of vested funds or rollovers from MERS or 401(k) plans will be made in accordance with the respective plans.

In lieu of accepting the employee's last day of work resignation notice, the Library reserves the right to accept the resignation immediately and pay the employee through the period of the notice given, not to exceed two weeks.



## CHAPTER SIX: BENEFITS

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#### A. TADL BENEFITS PACKAGE

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In addition to receiving an equitable salary and having an equal opportunity for professional development and advancement, you may be eligible to enjoy other benefits, which will enhance your job satisfaction. The value of your benefits amounts to a considerable sum each year in addition to the wages or salary you earn.

Our benefits program is an investment by TADL in its employees. TADL will periodically review the benefits program and make modifications as appropriate.

## B. ELIGIBILITY FOR BENEFITS

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Employees will enjoy the benefits described in this handbook as soon as the eligibility requirements are met for each particular benefit. Please keep in mind that the Director and/or Board of Trustees may change carriers, benefits and/or eligibility requirements for benefits from time to time. The benefits provided are subject to limitations and qualifications of the respective policy or plan documents. Payment of benefits or services is based on the decision of the carrier and/or administrator and, in cases of dispute, the insurance contract will control coverage and benefit issues.

Benefits are not available during the Introductory Period, except as otherwise provided by law. However, upon successful completion of the ninety (90) day Introductory Period, benefits will be effective pursuant to the terms of the plan. Except as set forth in this handbook, only current employees classified as Regular Full-Time and Regular Part-Time are eligible to participate in TADL's fringe benefit programs. Temporary and Irregular part-time employees are not eligible to participate in any fringe benefit programs sponsored by TADL except for those indicated in this handbook, and as otherwise required by law. Employee benefits will terminate upon separation from employment. Upon termination of employment, employees will be paid their accrued PTO in their last paycheck.

## C. HOLIDAYS

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TADL recognizes the following paid holidays and special closure days in which the Library is closed:

- New Year's Day
- Memorial Day
- July 4
- Labor Day
- Birthday (floating)
- Thanksgiving
- Christmas Eve
- Christmas Day
- New Year's Eve

In order to be paid for the holiday, you must be an exempt employee or a non-exempt regular full-time or regular part-time employee and work your scheduled day before and your scheduled day after the holiday, or be on authorized leave.

If the paid holiday falls on a day the employee is not scheduled to work and pay for the day causes overtime or unapproved extra hours, the holiday becomes a floating holiday which must be used within the month of the holiday. Employees must request to use their floating holidays at least two (2) weeks in advance to provide adequate notice to their department head for scheduling. The number of hours an employee is paid for a holiday will be calculated according

to the employee's hired employment status as referenced in the then-current collective bargaining agreement.

For any other calendar holiday closures that are not recognized by TADL as a paid holiday (such as Easter), exempt and non-exempt regular employees may use PTO, Comp Time, or make up the hours within the work week to provide against loss of pay.

Employees not eligible for paid time off may request unpaid leave time for sick or personal needs. Requests should be made as early as possible.

#### D. PAID TIME OFF (PTO) AND LEAVES

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In support of work life balance, productivity and well-being, employees are encouraged to consistently use Paid Time Off ("PTO") throughout their working career at TADL.

##### EXEMPT EMPLOYEES PTO/COMP TIME ACCRUAL

Exempt employees are scheduled forty (40) hours per work week and do not receive overtime pay. Time worked over forty (40) hours in a work week accrues as Comp Time. Regular PTO hours accrue and may be taken in the same manner as non-exempt regular employees in accordance with the then-current collective bargaining agreement.

Upon termination from the Library, the employee's eligible unused PTO balance is paid out, however, any unused Comp Time shall be forfeited.

##### NON-EXEMPT REGULAR EMPLOYEES

Exempt employees and non-exempt regular employees are eligible to earn and accumulate PTO based upon length of service as an exempt or non-exempt regular full-time or regular part-time employee as indicated in the then-current collective bargaining agreement.

Scheduled PTO requests shall be made to the employee's direct supervisor who will schedule leave to ensure the efficient operation of the Library. Leave may be taken in increments as low as one quarter hour (15 minutes).

Unused PTO accrual will be paid out at termination of employment as indicated in the then-current collective bargaining agreement.

##### IRREGULAR EMPLOYEES TIME OFF

Employees not eligible for PTO may request unpaid leave for sick or personal needs. Requests should be made as early as possible.

#### E. EXTENDED PERSONAL LEAVE

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The Library, for good cause shown, may grant an extended personal leave of absence without pay for up to sixty (60) days. No PTO leave time shall accrue during such leave. For union employees, no step increases within the salary range credits that accrue during the leave shall



issue if such leave exceeds thirty (30) days. The Library has discretion to grant or deny such leave requests. All requests must be made to the Director or the Director's designee.

#### F. BEREAVEMENT

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Exempt and non-exempt regular employees shall be granted up to three (3) days bereavement leave with pay in the case of the death of a member of the employee's immediate family. "Immediate family" is defined as a spouse, domestic partner, child, parent, parent of a child, sibling, grandparent, grandchild, parent-in-law, brother/sister-in-law, son/daughter-in-law, step-child, step parent, aunt/uncle, or member of the employee's immediate household. An Employee may extend bereavement leave by using PTO time. A "day" of bereavement leave will be calculated in the same manner as Holiday Pay.

#### G. JURY DUTY

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Employees shall be granted a leave of absence with pay when they are required to report for jury duty. Employees will be paid the difference between any jury duty compensation they receive and their regular wages for time necessarily spent in jury service. Seniority will continue to accrue to the employee while on jury duty. Employees will be paid for the full day after endorsing the jury check to the employer, less mileage allowances. An employee released from jury duty during their regularly scheduled work hours shall report to work, however, such employees are never required to work more than their regularly scheduled work hours, including time spent in jury duty.

#### H. MILITARY LEAVE OF ABSENCE

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Employees who enter active duty with the Armed Forces of the United States or National Guard will be granted a leave of absence without pay for the period of service or duty required and granted reemployment rights in accordance with applicable laws and regulations.

#### I. FAMILY AND MEDICAL LEAVE ACT

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Employees who have been employed at TADL for at least one year and worked at least 1,250 hours during the preceding 12-month period are eligible for family and medical leave under the Family and Medical Leave Act (FMLA). Employees taking FMLA leave are subject to job restoration to their same or an equivalent position at the conclusion of their leave, excluding any employee designated as an "essential" employee. FMLA will run concurrently with appropriate accrued paid leave and unpaid leave. If leave is requested for an employee's own serious health condition, the employee must use all accrued PTO leave. The remainder of the leave period will consist of unpaid leave.

#### REASONS FOR LEAVE

Eligible employees may be granted family or medical leave for a period of up to twelve (12) weeks (during any 12-month period measured backward from the date of the current leave period) for the following reasons:

- The birth of the employee's child and in order to care for the child;
- The placement of a child with the employee for adoption or foster care;
- To care for a spouse, child, or parent who has a serious health condition; or
- A serious health condition that renders the employee incapable of performing the functions of employee's job.

This entitlement of leave for the birth or placement of a child for adoption or foster care will expire twelve (12) months from the date of the birth or placement.

#### MILITARY FAMILY MEDICAL LEAVE

Eligible employees with a spouse, child, or parent on active duty with the Armed Forces or called to active duty status in the National Guard or Reserves may use their twelve (12) week entitlement to address certain qualifying exigencies. Qualifying exigencies may include attendance at certain military events, arranging for alternative child care, adjusting certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a spouse, son, daughter, or next of kin who is (1) a "covered service member," as defined below, during a single 12-month period, or (2) a veteran undergoing medical treatment, recuperation, or therapy for a serious injury or illness and who was a member of the Armed Forces.

A "covered service member" is a current member of the Armed Forces, including the National Guard or Reserves, who has a serious injury or illness incurred in the line of active duty that may render the service member medically unfit to perform the service member's duties for which the service member is undergoing medical treatment, recuperation, or therapy, or is in outpatient status; or is on the temporary disability retired list.

#### PROCEDURE FOR REQUESTING LEAVE

An employee intending to take FMLA leave because of an expected birth or the adoption or placement of a child, for a planned medical treatment, or because of other foreseeable leave, must request said leave at least thirty (30) days before the leave is to begin. If the leave is to begin in less than thirty (30) days, employee must give notice to the Director or Director's designee as soon as the necessity for leave arises.

#### MEDICAL CERTIFICATION

An application for leave based on the serious health condition of the employee or the employee's spouse, child or parent, must also be accompanied by a "medical certification statement" completed by a health care provider. The certification must state the date on which the health condition began, the probable duration of the condition, and the appropriate medical facts regarding the condition. If the employee is seeking FMLA leave to care for the serious health condition of a spouse, child or parent, the certification must so state, along with an estimate of the amount of time the employee will be needed. If the

employee is seeking FMLA leave for employee’s own serious health condition, the certification must state that the employee cannot perform the functions of the employee’s job. An application for military leave under the FMLA must include information about the circumstances supporting the need for military leave. The Library reserves the right to determine whether the condition is a serious health condition by obtaining a second opinion by a physician designated by the Library, at its own expense. The Library also may require an employee on FMLA leave due to employee’s own serious health condition to provide updated medical certification of employee’s ability to return to work every thirty (30) days during the leave.

Forms for FMLA leave are available from the Administrative Office.

### USE OF LEAVE

An employee is not required to use employee’s FMLA leave entitlement in one continuous period. FMLA Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as to not unduly disrupt TADL operations. Military family leave due to qualifying exigencies may also be taken on an intermittent basis. FMLA leave due to the birth or adoption of a child may be taken intermittently with the advance approval of the Library.

### BENEFITS COVERAGE DURING LEAVE

During a period of FMLA leave, an employee will be retained on the TADL group health plan under the same conditions that applied before leave commenced. To continue health coverage, the employee must continue to make any contributions that employee made to the plan before taking leave. Employees do not accrue seniority or other employment benefits that would have accrued if not for the taking of the leave. Paid leave days will not accrue during months of leaves of absence. An employee who takes FMLA leave will not lose any employment benefits that accrued before the date that leave began.

### RESTORATION TO EMPLOYMENT FOLLOWING LEAVE

An eligible employee for FMLA leave, with the exception of those employees designated as “essential workers,” will be restored to employee’s former position or to a position with equivalent pay, benefits, and other terms and conditions of employment. TADL cannot guarantee that an employee will be returned to employee’s original job. A determination as to whether a position is an “equivalent position” and/or whether job restoration is possible will be made by the Director.

## J. HEALTH, DENTAL, AND OPTICAL INSURANCE

Exempt and non-exempt regular employees are eligible to participate in health, dental and optical insurance through the Library’s group health plan. Upon eligibility, after ninety (90) days of successful employment, the Human Resources Manager, or designee, will provide enrollment forms and other details about the insurance plans. The level of coverage and the

amount of the premium that is the responsibility of the employee is based on the then-current collective bargaining agreement terms. Dependent coverage will follow the coverage provisions of each insurance plan. It is the responsibility of the employee to notify the Human Resources Manager of any changes affecting coverage including the birth or death of a dependent, marriage, divorce, and when a dependent is no longer eligible under the provisions of the insurance plan. If changes are to be made to the coverage or employee co-pay, the Library will provide its employees with at least thirty (30) days' notice prior to the effective date of the increase, if possible.

#### K. INSURANCE ELIGIBILITY AFTER LEAVING TADL

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##### COBRA

Employees who leave TADL may elect to continue healthcare coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Federal law mandates that continuation of health coverage be made available to certain formerly covered employees and dependents for a specified period of time at their own expense.

##### RETIREE INSURANCE CONTINUATION

TADL will make available to all retirees, at retiree's cost, health, dental, and optical insurance continuation through the employer's then-current health insurance provider at the then-current rate. Eligibility and requirements follow the then-current collective bargaining agreement.

#### L. CAFETERIA PLAN AND IRS SECTION 125 FLEXIBLE SPENDING ARRANGEMENT

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Subject to the requirements of the plan, exempt and regular full-time employees who are eligible for health insurance but elect not to enroll shall receive up to nine hundred dollars (\$900) annually, to be paid in quarterly installments. Subject to the carrier's rules, employees will remain eligible for employer paid dental and optical coverage. Employees electing the payment must be covered by health insurance from another source to be eligible, and must sign a waiver form. Such employees are subject to the open enrollment periods designated by the employer's then-current health insurance carriers.

Subject to the requirements of the plan, the Library will provide a Section 125 Flexible Spending Arrangement for payment of qualifying unreimbursed medical and dependent care expenses.

#### M. SHORT-TERM DISABILITY INSURANCE

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The Library will provide, at its expense, upon eligibility for fringe benefits, and subject to approval by the carrier for all exempt and non-exempt regular full-time and regular part-time employees, short term disability insurance providing a benefit of sixty percent (60%) of the

employee's base compensation/salary after eight (8) days of continuous disability up to twenty-six (26) weeks.

#### N. LONG-TERM DISABILITY INSURANCE

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The Library shall also provide at its expense, upon eligibility for fringe benefits, and subject to approval by the carrier, for all exempt and non-exempt regular full-time and regular part-time employees, sixty percent (60%) of employee's base compensation/salary following one hundred eighty days (180) of continuous disability, subject to the specific plan benefit duration based on age at the time disability begins.

#### O. LIFE INSURANCE

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The Library will provide for all exempt and non-exempt regular employees term life insurance in the amount of twice the amount of employee's annual salary up to a maximum of one hundred fifty thousand dollars (\$150,000), and term accidental death and dismemberment insurance in the same amount for each exempt and non-exempt regular employee.

#### P. EMPLOYEE ASSISTANCE PROGRAM

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In recognition of the importance of employee wellness, which is beneficial to both the employer and employee, TADL has established an outsourced Employee Assistance Program (EAP) that all employees and members of employee's household may access and seek services. The EAP will provide employees with an opportunity to seek assistance with personal or professional issues. All visits with the EAP are confidential unless it is a mandated disciplinary procedure by the employer and a condition of continued employment. Information and contacts regarding the EAP can be found on the staff portal.

The EAP is not intended to replace normal performance appraisals or disciplinary procedures, and participation in the EAP will not excuse an employee's continued failure to perform employee's job as expected. An employee who is required to attend the EAP as a condition of continued employment and fails to attend as required may be subject to additional discipline up to and including termination. Social Security

#### Q. SOCIAL SECURITY

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The United States Government operates a retirement system of contributory insurance known as Social Security. Employees who are not eligible for the MERS retirement system are required by law to contribute a set amount of their wages to the Social Security trust fund from which benefits are paid. As the employer, TADL is required to deduct this amount from each paycheck you receive. In addition, TADL matches your contribution dollar for dollar, thereby paying one-half of the cost of your Social Security benefits.

There are two parts to Social Security: Medicare (health insurance) and Old Age, Survivor and Disability Insurance (OASDI). Both parts are funded by payroll taxes, with equal amounts paid

by the employee and employer. Employees that are eligible for MERS will not participate in the OASDI portion of Social Security, but funds will be deducted for Medicare.

## R. RETIREMENT/PENSION PLANS

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### 401(K) RETIREMENT PLAN

TADL offers exempt and regular employees who are at least twenty-one (21) years of age and have been employed a minimum of ninety (90) days the opportunity to enroll in its 401(k) retirement plan (Plan). The Plan enables employees to invest pretax payroll deductions in a wide variety of investment options for their retirement years.

If an employee contributes at least five percent (5%) of employee's base pay to the Plan, TADL will contribute five and one-half percent (5 ½%) of the employee's base pay to the Plan. If an employee contributes less than five percent (5%) to the Plan, TADL will contribute two percent (2%) of the employee's base pay to the Plan. Employees are fully vested at the time of contribution.

Employees who choose not to contribute to the Plan will not receive any contributions from TADL.

### MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) PENSION

All exempt and regular full-time employees automatically participate in the Municipal Employees' Retirement System of Michigan (MERS) Defined Contribution (DC) Plan, a qualified retirement plan under Section 401 (a) of the IRS Code. Regular part-time employees, after having worked for four (4) years, shall be considered as working thirty (30) hours per week for the purposes of MERS, and shall be eligible for coverage. The Library shall contribute 8 percent (8%) of employees' base pay into the MERS DC Plan. Exempt and regular full-time employees shall contribute three percent (3%) of their base pay into the DC Plan. Employees are vested after six (6) years. If an employee leaves before full vesting, they will receive only the portion they have contributed and forfeit the amount TADL contributed.

Employees who participated in the Defined Benefit (DB) Plan up to November 1, 2016, maintain their accrued benefits, in a frozen state, pursuant to the MERS Defined Benefit Plan (Plan B-4, Benefit F-55/25 Option and the V-6 Rider). Employees hired on or after November 1, 2016 are not eligible to participate in the DB Plan.

## S. MERS 457 PROGRAM

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All employees are eligible to enroll in the MERS 457 Program, TADL's employer-sponsored deferred compensation plan, which is a supplemental retirement program especially for employees of counties, cities, townships, and other municipalities to conveniently help

employees financially prepare for their future through payroll deductions, with either pre-tax or Roth (after-tax) options. Employees are fully vested in this program at the time of contribution. MERS 457 funds are accessible and available at separation of employment.

#### T. EDUCATION ASSISTANCE

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To encourage and reward employees who desire to continue their education in order to improve themselves and their position/service at the library, TADL offers an Education Assistance benefit.

In order to qualify for this Education Assistance benefit you must be an exempt or non-exempt regular full-time or part-time employee. Employees desiring to take advantage of this educational assistance program must complete an application, provide course description, sign an acknowledgement stating that they are not receiving any duplicative, non-reimbursable funds through other programs for the same course(s) they seek reimbursement for from the Library, and agree to repayment obligations. For budgetary considerations, employees are required to submit their application for educational assistance benefits to the Library on or before September 15<sup>th</sup> prior to the course year. Employees are required to present a report card indicating a minimum of a 2.0 grade point or “pass” in a pass/fail option before reimbursement is made. Reimbursement allowances and maximum benefit terms are designated in the then-current collective bargaining agreement.

#### U. PROFESSIONAL DEVELOPMENT AND ORGANIZATIONAL MEMBERSHIPS

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TADL encourages employees to enhance knowledge and skills and to network with other professionals, thus improving job performance, satisfaction, and potential for future opportunities. A variety of external conferences, workshops, webinars, memberships, and internal staff training is available to all eligible staff who are fully or partially paid for by the Library. Employees participating in any professional opportunity must participate in earnest and adhere to all TADL policies and expectations while representing the Library. Improper behavior while on duty, no matter the type of professional opportunity or its location, could result in disciplinary action up to and including termination.



## CHAPTER SEVEN: EQUAL EMPLOYMENT OPPORTUNITY, DISCRIMINATION, HARASSMENT AND RETALIATION

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#### A. EQUAL EMPLOYMENT OPPORTUNITY AND NON-DISCRIMINATION

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TADL provides equal employment opportunities to all employees and applicants for employment without regard to race, color, religion, sex (including sexual orientation, gender identity, gender expression, and pregnancy), national origin, age, disability, genetic information, marital status, veteran status, height, weight, and any other characteristics protected by applicable law. This policy applies to all terms and conditions of employment including hiring,

job assignment, promotion, compensation, discipline, layoff, termination, and access to benefits and training. In addition, TADL shall comply with all applicable laws governing non-discrimination in employment. Consistent with this philosophy, opportunity is provided to all applicants and employees based on qualifications and job requirements.

Any employee who has concerns regarding any type of discrimination should contact the Library Director or Human Resources Manager. If the concerns pertain to TADL's Library Director, you should contact TADL's President of the Board of Trustees. In the event a complaint is made, TADL will promptly undertake a thorough and objective investigation. To the extent feasible, complaints will be handled confidentially.

Employees can raise concerns and make reports in good faith without fear of reprisal or retaliation. TADL prohibits any form of retaliation against an employee for filing a complaint based on a good faith reasonable belief that a violation of this policy has occurred, for assisting in a related investigation, or opposing any practice in violation of this policy. Anyone found to have engaged in unlawful discrimination or retaliation will be subject to discipline, up to and including termination of employment. Additionally, appropriate action will be taken to deter any future discrimination and/or retaliation.

#### B. HARASSMENT PREVENTION

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TADL is committed to maintaining an environment which fosters respect among all employees. Unlawful harassment undermines the integrity of the employment relationship and disrupts the operation and management of TADL. TADL is committed to offering employment opportunities based upon ability and performance in a productive climate, free of unlawful harassment.

Accordingly, TADL will not tolerate any form of unlawful harassment in the workplace which is based upon a person's race, color, religion, sex (including sexual orientation, gender identity, gender expression, and pregnancy), national origin, age, disability, genetic information, marital status, veteran status, height, weight, and any other characteristic protected by applicable law.

This policy applies to all employees, while on duty whether on or off TADL property, while off duty and on TADL property and, in certain circumstances, may apply while off duty and off TADL property.

#### C. DEFINITION OF SEXUAL HARASSMENT

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Employee conduct or communications that result in the harassment of other employees on the basis of sex (including sexual orientation, gender identity, gender expression, and pregnancy) is illegal and such conduct is prohibited by TADL. Sexual harassment is defined as unwanted verbal or non-verbal sexual conduct or communications that are intended to or do in fact substantially interfere with an employee's employment or create an intimidating, hostile, or offensive work environment. This definition includes many forms of offensive behavior and includes, but is not limited to, gender-based harassment of a person of the same sex as the harasser. Examples of conduct or communications that constitute sexual harassment include,



but are not limited to, unwanted sexual advances; offering employment benefits in exchange for sexual favors; threatening reprisals after a negative response to sexual advances; leering; making sexual gestures; displaying sexually suggestive objects, pictures, cartoons or posters; sexually derogatory comments or jokes; sexually degrading words used to describe an individual; suggestive or obscene letters, notes or invitations; sexual touching or assaults; and the impeding or blocking of movements.

Unwelcome sexual conduct or communications constitute sexual harassment when:

- Submission to such conduct is made either as an expressed or implied term of condition of employment; or
- Submission to or rejection of such conduct is used as a basis for employment related decisions affecting the employee; or
- Such conduct has the purpose or effect of substantially interfering with the employee's work performance or creating an environment that is intimidating, hostile, or offensive to the employee.

#### D. DEFINITION OF HARASSMENT BASED ON PROTECTED CLASSIFICATION

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TADL expects all of its employees, including managers and supervisors, to conduct themselves with dignity and with respect for fellow employees, patrons, vendors, the general public, and others. Each employee has the right to work in an environment free from harassment and discrimination. Conduct or communications based on an individual's race, color, religion, sex (including sexual orientation, gender identity, gender expression, and pregnancy), national origin, age, disability, genetic information, marital status, veteran status, height, weight, and any other characteristic protected by applicable law will not be tolerated. Harassment is defined as any unwelcome or unsolicited verbal, non-verbal, physical, or sexual conduct that has the purpose or effect of unreasonably interfering with an employee's job performance or creating an intimidating, hostile, or offensive working environment. Examples of harassment include, but are not limited to: disparaging remarks about a person's sex (including sexual orientation, gender identity, gender expression, and pregnancy), race, color, national origin, age, religion, disability, genetic information, veteran status, marital status, height, weight, or any other legally-protected status; unwelcome or unsolicited touches or threats of physical harm; display of images that are intimidating, hostile, or offensive; and the use of degrading words, nicknames, stories, jokes, or slurs, whether communicated verbally, by electronic mail, text or otherwise.

#### E. HARASSMENT BY NON-EMPLOYEES

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TADL will take all reasonable steps to prevent or eliminate harassment of any type by non-employees including, but not limited to, members of the public, patrons, suppliers, and vendors who are likely to have workplace contact with our employees. Any employee who has concerns regarding any type of harassment by any type of non-employee should contact the Library Director or Human Resources Manager. In the event a complaint is made, TADL will promptly

undertake a thorough and objective investigation. To the extent feasible, complaints will be handled confidentially. Notwithstanding the foregoing, TADL assumes no liability for the actions of non-employees.

#### F. REPORTING PROCEDURES

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Employees who witness or are subjected to any form of unlawful harassment should immediately report such conduct to the Library Director or Human Resources Manager. If your complaint concerns the Director, you should report it to TADL's President of the Board of Trustees. All claims of unlawful harassment will be promptly and thoroughly investigated. To the extent feasible, complaints will be handled confidentially.

#### G. INVESTIGATION AND REMEDIAL ACTION

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An investigation may include interviews of possible witnesses, including the person alleging that the harassment occurred, and the person or persons claimed to have committed the harassment. The privacy of the person issuing the complaint, the person accused and the steps taken in the investigation will be protected to the extent reasonably practicable, except that TADL will report its findings to the person making the complaint and to the person or persons who are accused. Anyone found to have engaged in any type of unlawful harassment will be subject to disciplinary action, up to and including termination of employment. Additionally, appropriate action will be taken to deter any future harassment.

#### H. ANTI-RETALIATION

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Employees can raise concerns and make reports of policy violations in good faith without fear of reprisal or retaliation. TADL prohibits any form of retaliation against an employee for filing a complaint based on a good faith reasonable belief that a violation of this policy has occurred, for assisting in a complaint investigation, or for opposing any practice in violation of this policy. If an employee believes they have been retaliated against in violation of this policy, the employee should immediately notify the Library Director or Human Resources Manager. If the complaint concerns the Library Director, you should report it to TADL's President of the Board of Trustees. Any employee who, after investigation, has been found to have engaged in prohibited retaliation will be subject to discipline, up to and including termination of employment.

#### I. MANAGEMENT RESPONSIBILITY

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All officers, managers, and supervisors shall be responsible for the enforcement of this policy. Further, each member of management is responsible for creating an atmosphere free of discrimination and harassment. Any officer, manager, or supervisor who becomes aware of possible harassment, discrimination or retaliation, or to whom a complaint of unlawful harassment, discrimination or retaliation is reported, must immediately report such conduct to the Library Director or the Human Resources Manager. If the harassment complaint concerns the Library Director, you should report it to TADL's President of the Board of Trustees.

Complaints under this policy will be promptly investigated and appropriate remedial action will be taken on a timely basis.

#### J. MONITORING AND TRAINING

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TADL shall take all reasonable steps to implement this policy prohibiting discrimination and harassment of any type and to assure compliance by all employees, officers, managers, supervisors, and others to whom it may apply. This prevention plan may include, but is not necessarily limited to, training sessions, ongoing monitoring, and notification of this policy.

#### K. DISABILITY ACCOMMODATION

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TADL prohibits discrimination against a qualified employee or applicant with a disability who is able to perform the essential functions of their job, with or without a reasonable accommodation. Further, TADL will not discriminate against any qualified employees or applicants because they are related to or associated with a person with a disability.

An employee requiring a reasonable accommodation must notify the Director or Human Resources Manager as soon as the need for accommodation becomes known. Under Michigan state law, an employee must notify the employer in writing of the need for an accommodation within 182 days of when the employee knew or reasonably should have known that an accommodation was needed. TADL will engage in the interactive process with the employee in good faith in order to determine what, if any, reasonable accommodation would allow the employee to perform the essential functions of his/her job. Documentation from a medical provider may be necessary to verify a disability or to assist in developing a reasonable accommodation. TADL will reasonably accommodate the disabilities of qualified applicants or employees, unless a direct threat to the safety of the employee or others would result, or it would cause an undue hardship.

This policy is neither exhaustive nor exclusive. TADL is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with all applicable federal and state laws.

#### L. RELIGIOUS ACCOMMODATION

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TADL respects employee beliefs and dignity, and promotes tolerance and diversity in employment. An employee whose religious beliefs or practices conflict with their job, or with other aspects of employment, and who seeks a religious accommodation must submit a written request for the accommodation to the Library Director or Human Resources Manager. The written request should include the type of religious conflict that exists and the employee's suggested accommodation.

TADL will engage in the interactive process with the employee in good faith in order to determine whether a work conflict exists due to a sincerely held religious belief or practice and whether a reasonable accommodation is available. TADL will reasonably accommodate

sincerely held religious beliefs or practices of employees unless it would cause an undue hardship (more than a minimal burden on business operations) or result in a threat to the safety of the employee or others.

## M. WHISTLEBLOWER POLICY

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Traverse Area District Library (TADL) requires all library employees, volunteers, and Trustees to observe a high standard of business and personal ethics in the conduct of their duties and responsibilities. It is the responsibility of all employees, volunteers, and Trustees to report violations and suspected violations of the law, applicable rules or regulations, and TADL policies in accordance with this Whistleblower Policy (the “policy”) and with the Michigan Whistleblower’s Protection Act (Public Act 469 of 1980).

This policy outlines a procedure for employees to report actions that an employee reasonably believes violates a law, rules or regulations, TADL policies, or that constitutes fraudulent accounting or other practices. A copy of this policy shall be distributed to all employees, volunteers, and Trustees who provide services to TADL.

The Library Director is designated to administer the policy and report to the Board of Trustees at least once annually on compliance activity.

If an employee, volunteer, or Trustee has a reasonable belief that an employee, volunteer or Trustee has engaged in an action that violates any law, rule, regulation, TADL policies, or that constitutes fraudulent accounting, auditing or other practices concerning accounting and auditing, constitutes other fraudulent practices or relates to a conflict of interest, the employee is expected to immediately report such information to the Library Director or the Finance Manager. If the report is related to the Library Director, the employee shall immediately report such information to the President of the Board of Trustees.

All reports will be promptly and thoroughly investigated. In conducting its investigations, TADL will strive to keep the identity of the complainant confidential whenever reasonably possible, however, confidentiality cannot be guaranteed. After the investigation has been completed, the employee reporting the improper action shall be advised of a summary of the results of the investigation, except for personnel actions taken as a result of the investigation, which may be kept confidential.

No employee who in good faith reports a violation shall suffer harassment, retaliation, or adverse employment consequence due to said report. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within TADL prior to seeking resolution outside TADL. TADL will conduct an investigation to determine whether an employee has engaged in retaliatory conduct. Any employee who, in management’s assessment, has engaged in retaliatory conduct in violation of this policy, will be subject to disciplinary action up to and including termination of employment. TADL will not take any action against an employee who has provided truthful information, in good faith, to law enforcement personnel or a court of law, in accordance with this policy.

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable basis in fact for believing the information disclosed indicates a violation under this policy. Any allegations which prove to have been made maliciously or where the employee knew or should have known that the information reported or provided is false or frivolous will be subject to disciplinary action up to and including termination.

Supervisors and managers will be trained on this policy and on TADL's prohibition against retaliation in accordance with this policy.



## CHAPTER EIGHT: HEALTH, SAFETY AND OPERATIONAL POLICIES

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### A. COMMUNICABLE DISEASES

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TADL's decisions involving persons who have communicable diseases shall be based on current and well-informed medical judgments concerning the disease, the risks of transmitting the illness to others, the symptoms and special circumstances of each individual who has a communicable disease, and a careful weighing of the identified risks and the available alternatives for responding to an employee with a communicable disease.

Communicable diseases include, but are not limited to, measles, influenza, viral hepatitis-A (infectious hepatitis), viral hepatitis-B (serum hepatitis), human immunodeficiency virus (HIV infection), AIDS, AIDS-Related Complex (ARC), leprosy, Severe Acute Respiratory Syndrome (SARS), tuberculosis and COVID. TADL may choose to broaden this definition within its best interest and in accordance with information received through the Centers for Disease Control and Prevention (CDC), Michigan Department of Health and Human Services (MDHHS), and Grand Traverse County Health Department (GTCHD) and will comply with all recommendations in a public health and safety emergency.

TADL provides PTO to its employees and encourages any employee who is experiencing symptoms related to a communicable disease to utilize their PTO to avoid the spread of the disease to co-workers.

TADL will not discriminate against any job applicant or employee based on the individual having a communicable disease. Applicants and employees shall not be denied access to the workplace solely on the grounds that they have a communicable disease. However, TADL expects employees with a communicable disease to report this fact to their supervisor if there is a danger that the disease could be transmitted to co-workers in the ordinary course of business. TADL also reserves the right to exclude a person with a communicable disease from the workplace facilities, programs and functions if, based on a medical determination, such restriction is necessary for the welfare of the person who has the communicable disease and/or the welfare of others within the workplace.

TADL will comply with all applicable statutes and regulations that protect the privacy of persons who have a communicable disease. Every effort will be made to ensure procedurally sufficient safeguards to maintain the personal confidence about persons who have communicable diseases.

## B. SAFETY RULES AND EMERGENCY PROCEDURES

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All departments are equipped with a Safety Handbook describing weather related and other emergency procedures. Employees are required to learn the location of all alarms, panic buttons and fire extinguishers, and to familiarize yourself with the proper procedure for using them, should the need arise.

Safety is everybody's business. Employees must also report any safety hazard that needs attention. General, common sense safety rules include the following:

- Avoid overloading electrical outlets with too many appliances or machines.
- Use flammable items, such as cleaning fluids, with caution.
- Walk, don't run.
- Use stairs one at a time.
- Report to your department head if you or a co-worker becomes ill or is injured.
- Ask for assistance when lifting heavy objects or moving heavy furniture.
- Keep cabinet doors and file and desk drawers closed when not in use.
- Sit firmly and squarely in chairs that roll or tilt.
- Wear or use appropriate safety equipment as required in your work.
- Avoid horseplay or practical jokes.
- Start work on any machine only after safety procedures and requirements have been explained (and you understand them).
- Wear appropriate personal protective equipment when working on an operation which requires their use.
- Keep your work area clean and orderly, and the aisles clear.
- Stack materials only to safe heights.
- Watch out for the safety of fellow employees.
- Use the right tool for the job and use it correctly.

Other safety procedures may be posted in your work area. This is a non-exclusive list and anyone who violates these safety rules or engages in conduct that poses a significant threat to their own safety or that of others may be subject to discipline up to and including termination.

## C. FIRST AID / ACCIDENT REPORTS

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All departments and the staff lounge are equipped with a First Aid Kit with OSHA approved items. An AED station is located in the Circulation Department on the main floor. Intranasal opioid antagonists are available in each department of the Library for administration to persons suspected to be experiencing an opioid or opioid related overdose while at the Library.

All injuries incurred while working (no matter how slight) must be reported to your supervisor immediately and an accident report form completed including names of any witnesses to the accident. If an injury requires you to be off work, you must provide proof from your health care provider that you are able to return to work.

#### D. WORKERS COMPENSATION

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Workers' Compensation was designed to provide employees with benefits for injuries suffered in connection with their job. The Library shall provide Workers' Compensation protection for all employees as required by law.

#### E. DRUG FREE WORKPLACE

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TADL is committed to providing a safe, healthy, and productive work environment. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner. This policy is established to maintain a safe, healthy, productive, and drug-free environment for all employees and the public, and to protect TADL property, equipment, and operations from the negative effects of alcohol, marijuana, and controlled substances taken for medical and non-medical purposes.

The use and effects of controlled substances, alcohol, and marijuana pose very serious problems. Not only can the use and/or abuse of controlled substances, alcohol, or marijuana jeopardize the health, safety, and well-being of the individual user, it can also endanger the safety of our employees and the general public. In view of these concerns, TADL wants to clearly set forth the terms of its drug-free workplace policy to accurately detect and to deter the use of alcohol, marijuana, and other drugs that impair the user in our work environment, through testing and/or disciplinary action, up to and including termination of employment.

##### ILLEGAL CONTROLLED SUBSTANCES AND LEGAL PROHIBITED CONTROLLED SUBSTANCES

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Employees shall not use, possess, purchase, sell, manufacture, distribute, or be under the influence of alcohol, marijuana, or any illegal controlled substance or any legal prohibited controlled substance while on TADL property, while in a TADL vehicle, or while performing TADL business. Possession of related drug paraphernalia is also prohibited. Violation of this policy will result in disciplinary action, up to and including termination of employment.

An "illegal controlled substance" includes a controlled substance that is not legally obtained and/or a controlled substance not being used for its intended purpose or its prescribed quantity.

"Legal prohibited controlled substances" include prescription and non-prescription controlled substances that may impair working ability and/or create a safety hazard in the workplace. Any employee who is taking a legal controlled substance must notify their supervisor of any potential for impairment that would render employee unable to perform the essential functions of employee's job or pose a potential threat to the safety of others.

Employees who possess a medical marijuana registry card or who use legal recreational marijuana may not possess or use marijuana in the workplace, may not perform work for TADL while under the influence of marijuana, and must otherwise comply with this policy in all respects.

#### TESTING

To enforce this policy, TADL may implement drug or alcohol testing: (1) as a pre-employment screening device pursuant to a conditional offer of employment; (2) as required by law, including but not limited to any drug and alcohol testing requirements for employees subject to Department of Transportation and other applicable federal or state drug and alcohol testing regulations; (3) when TADL has a reasonable suspicion that an employee has violated this policy; (4) in accordance with an agreement with an employee who previously violated this policy that provides for testing (a “Last Chance Agreement”); and (5) when an employee suffers an on-the-job injury or accident, including a traffic accident, or a safety violation, provided there is a reasonable possibility that alcohol, marijuana, or other drug use by the employee could have been a contributing factor to the reported injury, accident, or violation.

For example purposes, with respect to testing after an accident, there would be a reasonable possibility that alcohol, marijuana, or other drug use could have been a contributing factor to the incident if an employee violates a safety standard. On the other hand, if an employee is injured by lifting a box, for example, there is likely not a reasonable possibility of alcohol, marijuana, or other drug use contributing to the injury unless there are additional factors suggesting otherwise.

With respect to reasonable suspicion testing, reasonable suspicion may arise from, among other factors, supervisory observation, co-worker reports or complaints, demeanor, appearance, performance decline, attendance or behavior changes, erratic behavior (such as involvement in an accident resulting in significant property damages), physical symptoms, and results of a search or other detection methods.

If an employee refuses to cooperate with or submit to any drug or alcohol test or investigation, or tampers with a test sample, at TADL’s sole discretion, the employee may be subject to disciplinary action, up to and including termination.

Any employee who tests positive on a drug or alcohol test will be offered the opportunity of a second test on the original sample. If a current employee tests positive on a drug or alcohol test, including a test for the presence of marijuana, TADL shall take any and all additional disciplinary actions it deems necessary and appropriate, up to and including termination of employment.



## CONFIDENTIALITY

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Information and records relating to test results and legitimate medical explanations provided to the medical review officer shall be kept confidential to the extent required by law and maintained in secure medical files separate from employee personnel files.

## 5-DAY NOTIFICATION PERIOD FOR DRUG-RELATED CRIMINAL CONVICTIONS

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All employees are required, as a condition of employment, to report any drug-related criminal convictions, including but not limited to convictions for operating a motor vehicle while under the influence or while intoxicated. Employees must notify the TADL Director and Human Resources Manager no later than five (5) days after a conviction. Federal contracting agencies will be notified when appropriate.

## SAFETY CONCERNS

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To protect the safety of all employees and others, any employee who TADL reasonably suspects has violated this policy may not be allowed to complete employee's shift. Safe transportation will be arranged for the employee.

## F. SMOKING AND VAPING

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Smoking and/or vaping is not permitted in any TADL facility or TADL-owned vehicle. TADL is a smoke-free campus. Employees are allowed to smoke or vape in their own vehicles in TADL parking lots. When traveling by any mode of transportation while on library business with other library employees, smoking and/or vaping is not permitted in that vehicle.

## G. THEFT

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Property theft of any type will not be tolerated by TADL. We consider property theft to be the unauthorized use of company services or facilities or the taking of any company property for personal use. Unauthorized possession or removal of library property is a very serious offense. Employees violating this policy will be subject to discipline up to and including possible termination and prosecution.

## H. PUBLIC IMAGE AND DRESS CODE

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Personal appearance is a factor in the public's image of the library. First and lasting impressions can unconsciously shape the opinions and interactions between employees and patrons.

All employees must be clean and neat in appearance; basic hygiene practice is essential. An employee's clothing and accessories may accommodate a unique personal style, religion, or ethnicity, but must be professional for the position. Clothing and accessories should not: impair health or safety in the workplace; be excessively revealing; convey offensive, obscene, pornographic, threatening, violent, illegal, or discriminating messages or artwork; display foul

language; advertise political affiliations or statements; or constitute an item otherwise generally worn during specialized non-business activity, such as swimwear or pajamas.

## I. WORKSPACE GUIDELINES

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Employees may personalize their own workspace. These spaces must be kept neat, clean, free of hazards, not display anything seen as offensive, obscene, pornographic, threatening, violent, illegal, or discriminatory, and not be obtrusive or disruptive to co-workers. Always be respectful of shared workspaces.

TADL's many beautiful plants throughout the building are professionally cared for because of their delicate nature. Employees are requested NOT to water any of the plants unless asked by an administrator. If you bring your own flowers or plants for your workspace you are responsible to maintain those.

## J. PERSONNEL FILE

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Personnel records and related personnel administration functions are overseen by the Human Resources Manager. We will attempt to keep all records up-to-date, however, if at any time, there is change in any of the following items, it is the employee's responsibility to notify the Human Resources Manager as soon as possible:

- Legal name and Preferred Name
- Home address
- Phone number
- Emergency Contact
- Number and names of dependents
- Marital status
- Exemptions on your W-4 tax form
- Beneficiary designation(s)

Coverage or benefits that an employee and their family may receive under the TADL benefits package could be negatively affected if the information in their personnel file is incorrect.

It is beneficial for all employees to provide the Human Resources Manager with verification of relevant educational or training courses completed for possible inclusion in their personnel file.

Employee's may review the contents of their personnel file within seven (7) days of submitting the appropriate request form located on the Staff Portal to the Human Resources Manager. TADL reserves the right to charge for the cost of duplication of the contents. Expired disciplinary documents will be returned to the employee, in accordance with the Teamsters Union agreement.

#### K. PROOF OF ELIGIBILITY TO WORK IN THE U.S.

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Federal regulations require that: (1) within three (3) days of becoming employed, all new hires must complete and sign Federal Form I-9, Employment Eligibility Verification Form; and (2) all applicants who are hired need to present documents of identity and eligibility to work in the U.S.

#### L. SOCIAL SECURITY NUMBER PRIVACY

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As required by State law, employees' Social Security numbers will be held confidential to the extent practicable, and will be maintained by the Human Resources Manager in a secure location. Social Security numbers shall not be placed on timecards, employee rosters, bulletin boards, or any other materials or documents designed for public display. Documents, materials, or computer screens that display Social Security numbers or other sensitive information shall be kept out of public view at all times. Only persons authorized by the Human Resources Manager shall have access to Social Security numbers, and will be limited to those with a legitimate business need to know (for example, preparation of W-2 forms, enrollment in health insurance programs, etc.). Library documents containing Social Security numbers sent through the mail shall not reveal the numbers through the envelope window or otherwise be visible from outside the envelope or package. Social Security numbers shall not be sent through e-mail or other electronic means unless the connection is secure or the number encrypted. Where a Social Security number is contained within a document subject to FOIA release, the Social Security number shall be redacted.

Documents or other materials containing Social Security numbers will be discarded or destroyed in a secure manner that protects their confidentiality.

#### M. PUBLIC RECORD / FOIA

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Under the Freedom of Information Act (FOIA), any electronic media message (e.g., digital file, e-mail, or social media post) which has been generated on the TADL computer system may constitute a public record and may be provided to the public upon request. Thus, employees must always assume that e-mail and other computer files are subject to disclosure unless a specific legal basis for non-disclosure exists. Employees who use their personal devices to conduct library business can expect those devices to also be subject to FOIA.

#### N. DIGITAL DEVICES, SOFTWARE, AND FILES

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TADL employees use many types of digital devices in the course of performing their duties for the library, including computers, computer software, voice mail, email, internet access, tablets, smartphones, etc. TADL's digital devices, software and files stored in the computer or network are the property of TADL and use of such digital devices are limited to TADL-related business only. TADL reserves the right to enter, search and monitor all electronic media owned by TADL without advance notice. Justification for such action may include monitoring work flow or

productivity, investigations, disclosure of confidential information, or personal abuse of the system.

In addition, all software on any of TADL's computers must be licensed and may be considered the property of the library. No employee may install or remove software on any TADL computer without first receiving permission from TADL. This includes games, screen savers, software from home or friends, etc. The reasons that no software may be installed on TADL computers that has not been purchased or approved by the Library Director, or designee, include but are not limited to:

- Most computer viruses are introduced into computer networks via software brought from outside.
- If anyone places illegal or unlicensed software on a TADL computer, TADL could be subject to a lawsuit.
- Our systems are rather complex, and we have worked hard to ensure that all of our software works together harmoniously.

TADL does not condone the illegal duplication of software. Copyright law is clear. The copyright holder is given certain exclusive rights, including the right to make and distribute copies. Title 17 of the U.S. Code states that it is illegal to make or distribute copies of copyrighted material without authorization (Section 106). The only exception is the user's right to make a backup copy for archival purposes (Section 117). In short, unauthorized duplication of software is a federal crime.

#### GENERAL ALLOWABLE USES OF ELECTRONIC MEDIA AND DEVICES

Allowable uses for electronic media for TADL business include the following:

- ✓ To facilitate performance of job functions;
- ✓ To facilitate communication of information;
- ✓ To coordinate meetings of individuals, locations and resources of TADL; and
- ✓ To communicate with outside organizations as required in order to perform an employee's job function.

#### GENERAL PROHIBITED USES

Prohibited uses of electronic media include, but are not limited to, the following:

- Illegal or impermissible activities, defined as a violation of TADL policies, regulations and/or state or federal law;
- Committing fraud or stealing data or equipment;
- Using the network for an illegal activity, including violation of copyright, license agreements and other contracts;

- Anything that may be construed as harassment or disparagement of others based on any other protected status. These include, but are not limited to, slurs, obscene messages, materials and pictures;
- Use of the network for viewing pornographic materials;
- Threatening messages;
- Political endorsements;
- Commercial activities, including any activity in which an employee stands to benefit financially;
- Intentionally disrupting network traffic or crashing the network and connected systems;
- Unauthorized access to the files of co-workers or patrons without approval of the Library Director;
- Vandalizing the data of another user;
- Conduction of personal business, playing games or “browsing” the Internet for personal reasons while on duty or at a public service location, even if not on duty.

#### EMAIL, TEXT, SOCIAL MEDIA POSTS, AND VOICE MAIL

Business communications in all forms, including but not limited to email, text, social media posts and telephone voice messages are the property of TADL. TADL reserves the right to access all voice and digital communications left or transmitted via the library’s communication systems to ensure legality, operational, and ethical compliance. TADL employees will have no right or expectation of privacy in any form of communications made or received through TADL’s systems. With approval of the Library Director, department heads will have the right to review any e-mail, text, or voice messages of any employee under their supervision.

#### O. MOBILE AND DIGITAL “LIBRARIES ON THE GO”

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TADL’s services reach beyond the walls of the physical buildings expanding access to the community and bringing the library to the community in a variety of ways including, but not limited to: [tadl.org](http://tadl.org) (website); social media (Twitter, Facebook, Instagram, etc.); outreach services via the bookmobile, book bike, and other avenues.

Employees who perform mobile and digital services in the course of their work are representing TADL to the public and must adhere to the general standards of conduct contained in this handbook and to any policies and procedures developed thereafter.

#### P. REMOTE WORKING

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Remote working is a work arrangement that allows employees to work at home or at some other off-site location for all or some of their regularly scheduled work hours. Although not all jobs can be performed satisfactorily from other locations, TADL recognizes that in some

instances remote work arrangements can provide a mutually beneficial option for both TADL and the employee. All remote work must be pre-authorized by the Library Director.

Q. RECYCLING, WASTE PREVENTION AND CONSERVIATION

TADL values and participates in green initiatives and actively recycles as many materials as possible in accordance with current environmental recycling guidance. All paper items which include information protected by Patron Privacy policy must be discarded appropriately in a designated shredding container. TADL may participate in organic waste composting or other conservation initiatives as they arise.

Recycling receptacles are for company use only and for those items used while working. Employee's may not bring items from home to place in the library's waste and recycling receptacles.

R. RECORDS RETENTION

The library follows a records retention policy and appropriate disposal methods in order to maintain operational efficiencies and reduce potential liabilities. Employees are expected to adhere to the State of Michigan Records Retention and Disposal Schedule for Public Libraries, any additional policies adopted by the Board of Trustees and/or standard practices, as set forth by library administration.

~ ~ ~

*THANK YOU*

*for helping make Traverse Area District Library  
such a great place to work and an incredible resource for our community!*

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Revised 11-17-2011 / Revised 4-17-2014 / Revised 3-21-2019 / Revised 6-15-2023

Motion by: \_\_\_\_\_

Adopted: Yes No

Support by: \_\_\_\_\_

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P. Deyo, Board Secretary

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Date

**ACKNOWLEDGEMENT OF  
TRAVERSE AREA DISTRICT LIBRARY HANDBOOK**

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I have received a copy, either print or digital, of the Traverse Area District Library (“TADL”) Employee Handbook. I acknowledge that I have been encouraged to read the handbook and I agree to keep this handbook for future reference and abide by the personnel policies and rules of TADL as outlined in the handbook. I understand that this handbook does not contain all of the information I will need during the course of my employment and that I will receive additional information through both written notices and orally. I understand that this handbook is merely intended as a guide to some personnel policies, benefits and general information and that these guidelines are not intended to, nor do they create, an employment contract. I understand that if I am covered by a collective bargaining agreement or an individual written employment contract that I have certain rights pursuant to that agreement and such agreement supersedes conflicting provisions of this handbook.

I understand that my employment with TADL is for no definite period and that I have the right to terminate my employment with TADL at any time, with or without notice, for any reason or no reason at all, with or without cause, and that TADL has these same rights, except as otherwise provided in an applicable collective bargaining agreement or individual written employment contract.

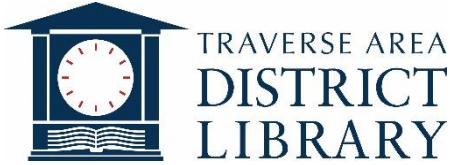
I understand that TADL reserves the right to unilaterally, with or without prior notice, amend or make changes in these guidelines or their application whenever it deems appropriate and that any amendments will be made known to me within a reasonable timeframe. I also acknowledge and understand that no representative of TADL other than the Director has any authority to make any contractual agreement regarding my employment or continued employment, and that any such agreement is only effective if it is in writing and signed by the Library Director. I also understand and agree that no communication or practice of TADL limits the library to certain reasons or procedures for terminating or modifying the employment relationship.

I am aware of and fully understand the rules governing my employment with TADL and agree to employment with TADL under the conditions explained.

Signature \_\_\_\_\_

Dated \_\_\_\_\_

Printed Name \_\_\_\_\_



**Revenue**

We have received all of our budgeted Property Tax revenue for this year as well as the first half of State Aid. We usually receive our Penal Fines revenue in July, which at 75% is a majority of our remaining \$203,000 in budgeted revenue. As a practice, we budget conservatively for other revenues such as Services, Fines, Sales, Meeting Rooms, and Donations as we do not want to overestimate what we ultimately bring in for the year. With the exception of Meeting Rooms, we are doing well toward our budgets for these revenues.

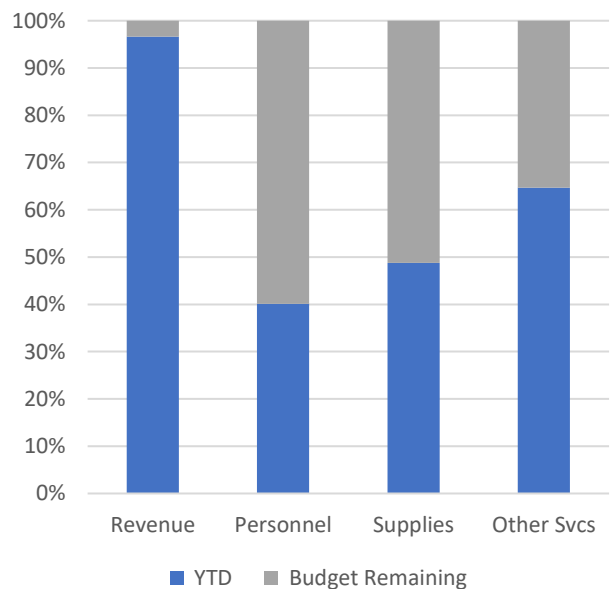
Investments returns are becoming more modest. This month Interest & Unrealized Gains totaled just \$2,400.

**Expenditures**

Note that percentage of Budget completed is 41.7% as of 5/31/2023. Line item details of interest:

- *Personnel*  
Medical, dental, vision, life, and disability show higher percentages of budget used due to paying one month ahead. Our percentage of Budget completed for these line items is 50%. Remaining line items are in line with YTD expectations.
- *Supplies*  
Departments are gearing up for Summer Library Challenge and have been making purchases for summer programming, including our ever-popular t-shirts. We renewed our McNaughton/Brodart leasing contract at \$55,270. This contract purchase was included in the 1/19/2023 board meeting resolution to approve annual routine invoices over \$25,000.
- *Other Services/Charges*  
Insurance/Bonds and Member Library Allocations are paid once per year at the beginning of the year and tend to skew our Percentage of Budget used for this category until later in the year. Other individual line items are close to or under our target of 41.7% for the month of May.
- *Capital Outlay*  
There have been no expenditures so far this year, consistent with our budget.

TADL Budget as of 5/31/2023

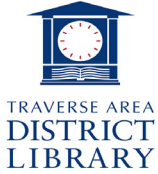


**Audit of 2022**

Lastly, our annual Audit of 2022 has been finalized and will be presented at the Finance and Facilities Meeting in June. I found that working with our auditors at Dennis, Gartland & Niergarth was a pleasure and it went very smoothly.

Respectfully submitted,  
Danielle Baldwin  
Finance and Human Resources Manager





RevenueCategory;SubCategory	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
<b>Revenue</b>						
400 - Property Taxes - Current/Delinquent/Pilt	5,634,707.00	5,634,707.00	7,144.16	5,644,535.55	9,828.55	100.17%
500 - Grants - Federal/State/Other	27,475.00	27,475.00	0.00	37,068.29	9,593.29	134.92%
540 - State Aid Grant - Library	107,468.39	107,468.39	0.00	53,734.18	-53,734.21	50.00%
541 - State Aid Grant - TBL	41,073.00	41,073.00	0.00	20,536.00	-20,537.00	50.00%
581 - Penal Fines	152,900.00	152,900.00	0.00	0.00	-152,900.00	0.00%
602 - Fees/Services	41,650.00	41,650.00	17,000.00	29,076.00	-12,574.00	69.81%
607 - Overdue Fines/Replacement Fees	0.00	15,000.00	3,138.32	15,392.37	392.37	102.62%
642 - Sales	19,150.00	19,150.00	3,108.63	14,370.81	-4,779.19	75.04%
653 - Meeting Room Rental/Equip Fees	2,000.00	2,000.00	100.00	-100.00	-2,100.00	5.00%
665 - Interest & Gains/Losses	0.00	0.00	2,454.02	32,083.73	32,083.73	0.00%
674 - Donations/Contributions	26,200.00	26,200.00	378.90	16,849.42	-9,350.58	64.31%
676 - Misc Revenue & Reimbursements	0.00	0.00	417.99	905.07	905.07	0.00%
<b>Revenue Total:</b>	<b>6,052,623.39</b>	<b>6,067,623.39</b>	<b>33,742.02</b>	<b>5,864,451.42</b>	<b>-203,171.97</b>	<b>96.65%</b>
<b>Expense</b>						
<b>Category: 70 - Personnel</b>						
700 - Salaries & Wages	2,631,428.36	2,633,396.77	222,126.37	1,017,477.86	1,615,918.91	38.64%
710 - Social Security/Medicare	67,519.02	65,734.09	6,225.81	26,108.90	39,625.19	39.72%
712 - Medical Insurance	383,992.43	390,266.92	25,227.69	199,875.35	190,391.57	51.22%
713 - Dental Insurance	28,504.59	27,601.59	2,104.93	13,400.06	14,201.53	48.55%
715 - Vision Insurance	3,773.19	3,859.91	252.84	1,827.04	2,032.87	47.33%
716 - Life Insurance	8,909.10	8,764.70	610.70	3,771.75	4,992.95	43.03%
717 - Disability Insurance	15,558.59	15,300.47	1,092.92	6,708.38	8,592.09	43.84%
720 - 401K Retirement Contribution	121,111.05	118,965.45	9,203.06	43,974.64	74,990.81	36.96%
721 - MERS Defined Contribution Retirement	172,320.06	169,226.49	13,815.49	66,483.57	102,742.92	39.29%
722 - MERS DB Unfunded Liability	120,000.00	120,000.00	10,000.00	50,000.00	70,000.00	41.67%
723 - Worker's Compensation	8,000.00	8,000.00	0.00	0.00	8,000.00	0.00%
<b>Category: 70 - Personnel Total:</b>	<b>3,561,116.39</b>	<b>3,561,116.39</b>	<b>290,659.81</b>	<b>1,429,627.55</b>	<b>2,131,488.84</b>	<b>40.15%</b>
<b>Category: 72 - Supplies</b>						
728 - General Operating Supplies	197,065.00	189,065.00	34,129.61	82,113.01	106,951.99	43.43%
736 - Repair & Maintenance Supplies	6,750.00	14,750.00	1,013.46	11,655.42	3,094.58	79.02%
741 - Books/Media/Online Resources/LoT	667,960.00	667,960.00	80,641.54	331,305.28	336,654.72	49.60%
<b>Category: 72 - Supplies Total:</b>	<b>871,775.00</b>	<b>871,775.00</b>	<b>115,784.61</b>	<b>425,073.71</b>	<b>446,701.29</b>	<b>48.76%</b>
<b>Category: 80 - Other Services and Charges</b>						
801 - Professional & Contractual Services	310,025.00	310,025.00	38,887.76	147,610.90	162,414.10	47.61%
804 - Advertising & Outreach	25,950.00	25,950.00	743.75	6,459.06	19,490.94	24.89%
807 - Insurance & Bonds	42,280.00	42,280.00	450.00	25,276.38	17,003.62	59.78%
809 - General Equip/Building/Grounds Maintenance	338,510.00	338,510.00	13,423.25	135,287.63	203,222.37	39.97%
850 - Communications	28,500.00	28,500.00	1,368.74	9,400.70	19,099.30	32.98%
921 - Utilities	109,700.00	109,700.00	10,480.33	37,626.30	72,073.70	34.30%
955 - Education & Travel	123,330.00	123,330.00	35,641.02	45,263.02	78,066.98	36.70%
959 - Member Library Allocations	648,437.00	648,437.00	0.00	648,437.00	0.00	100.00%
961 - Misc	0.00	1,500.00	0.00	0.00	1,500.00	0.00%
964 - Property Tax Reimbursements	8,000.00	6,500.00	2,142.50	2,360.01	4,139.99	36.31%
<b>Category: 80 - Other Services and Charges Total:</b>	<b>1,634,732.00</b>	<b>1,634,732.00</b>	<b>103,137.35</b>	<b>1,057,721.00</b>	<b>577,011.00</b>	<b>64.70%</b>
<b>Expense Total:</b>	<b>6,067,623.39</b>	<b>6,067,623.39</b>	<b>509,581.77</b>	<b>2,912,422.26</b>	<b>3,155,201.13</b>	<b>48.00%</b>
<b>Report Surplus (Deficit):</b>	<b>-15,000.00</b>	<b>0.00</b>	<b>-475,839.75</b>	<b>2,952,029.16</b>	<b>2,952,029.16</b>	<b>0.00%</b>



## **JUNE 2023 DIRECTOR'S REPORT - VICTORIA SHURLY**

Our snail mail newsletter was sent to 3800 households. It is published quarterly to coincide with each season. Many patrons tell us it stays posted on their refrigerator until the next one arrives.

The Children's Garden is back in shape thanks to three days of hard work by Old Mission Associates, which donated the first day of labor. On order are climbing boulders and a nature sorting table. Volunteer gardeners adopt sections to weed and care for on a regular basis.

Our new birding group has a name – Wing Watchers! The group meets monthly on the first Monday of the month at 6:30. Kay Charter of Saving Birds Through Habitat was our guest speaker June 5. Casual hikes at Pyatt Lake are held the first Thursday of the month at 8:30 am. All are welcome.

Our May blood drive through Versiti resulted in the collection of 12 pints of whole blood that will benefit 36 people! The next drive is scheduled for August 23. Donors can sign up now online at <https://donate.michigan.versiti.org/donor/schedules/zip>

Patricia Henkel will be on hand June 19 to teach patrons how to use Chat GPT and other apps for artificial intelligence from their iPhones. An RSVP is required.

Our first garden concert of the season is the Friends of PCL's Summer Solstice event June 21 from 5-7 pm with the Irish music of Doc and Donna Probes. The Friends will offer free ice cream that evening. On June 30 at 7 pm, Nicholas Veine from Manistee, entertains with a little country, blues and jazz. Patrons are invited to bring a picnic to both.

On June 27 at 8 pm, families are invited into the library after hours for bedtime stories, s'mores and a night craft. If the weather is clear, they can take a look at the sky through our telescope!

We are once again collaborating with U of M's Michigan Medicine on a lecture series with world renowned physicians. This year's programs will include presentations on cardio health, diabetes and skin cancer. U of M has developed a great promotional video featuring a "small library and a world-renowned institution." Check our website soon for details! A fireside chat will follow each lecture with opportunity to ask private questions.

***PCL Fun Fact:*** *The birdhouses on our property were a recent Eagle Scout project by a teen who grew up using PCL!*

***Circulation May 2023: 1954 + 45 manual checkouts, May 2022: 2162***

***May Volunteers: 13 people (2 teens), 32 hours of time to PCL.***

***Curbside pickups: 0. Home delivery: 2. New library cards: 4***

***Hold Transit Counts May: 575 to other libraries from PCL, 318 from other libraries to PCL***

***Programs May: 22 Programs Participation May: 458 Reference Questions: 401***

***Website Hits: 1514, Twilight Baby Bags: 1, 1000 Books Before Kindergarten: 5***



**Board of Library Trustees Regular Meeting  
Library Director Report  
Meeting Date: June 15, 2023**

**Library Activity**

For a graphical presentation of the statistical information included below, please visit the link: [online TADL dashboard](#).

<b><u>Year to Date Circulation Activity</u></b>			
<b><u>End of Month</u></b>	<b><u>Print/Audio/Video</u></b>	<b><u>Electronic Books/Audio/Video</u></b>	<b><u>TOTAL</u></b>
May 2022	397,711	122,122	519,833
May 2023	428,257	138,290	566,547

Lending

Circulation is up by 7.8% from last year.

E-Book, magazine, downloadable audiobook, and database utilization

E-books continue to be popular. Hoopla continues to run over budget and will be reviewing the bills in June and adjust accordingly.

Visitors – Woodmere, East Bay, and Kingsley Facilities

The busiest day for May was Wednesday, the 17th, with 1,003 patrons. In May 2023, there were 26,707 visitors at East Bay, Kingsley and the Main library. In May 2023, TADL added 221 new patrons district-wide. Many are these are due to school visits.

Public Computing

In the Technology Center and other computer services throughout the district, there was another decrease in visitors in May. This equates to 1,827 as oppose to 2,061 sessions in April 2023.

Additions to the Collection

In May 2023, 3,111 items were added to the district.

Behavior Issues

There were 3 incidents in May 2023 resulting in zero suspensions. During May of 2022, there were 6 incidents resulting in 3 suspensions. Jubilee House remains open but I'm hearing that it is substantially less busy.

### Circulation Changes

I have been working with staff to adjust some of our circulation parameters to better suit the needs of our patrons and their borrowing habits. We will make sure to inform patrons of those changes.

### Intellectual Freedom

There has been no activity with Intellectual property issues at TADL. Other libraries throughout the state continue to see challenges.

### Michigan Library Association

I am excited to announce that the Michigan Library Association Meeting will be held in Traverse City, October 15-18, 2024. I am on the planning committee and will have more details as it gets closer.

### State Librarian Visiting

Randy Riley, the State Librarian for the Library of Michigan, will be visiting TADL on July 21<sup>st</sup>. I do not have many details yet but we are honored by his visit and look forward to showing off the excellent work TADL does for our community.

### TADL TikTok

TADL has a new social media, TikTok! We are using it as a way to reach younger audiences, and it's fun! Follow us @traversedistrictlibrary. Thank you staff members Erin and Courtnei for the creativity to get this off the ground!

### May Outreach, Partnership & Community Activities

#### Purposeful Partnerships

- Met with the Day Shelter Coalition and the Safe Harbor Community group. The Day Shelter is funded for the next 1.5 years. Everyone reported positive remarks about the success this year. Safe Harbor did struggle with volunteers and the behaviors during the day but overall felt it was a huge success.
- Participated in the Presidents Breakfast during the Northwest Michigan Arts & Culture Summit at Interlochen Center for the Arts
- Hosted the Regional Community Foundation Funders event at TADL with the help of Heather Brady and the Sight and Sound department.

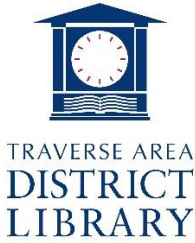
#### Innovative Engagement

- Was a Guest Speaker for the Friends of the Library Annual Meeting.
- Hosted the Rotary Change Makers Coffee with the help of Heather Brady and the Sight and Sound department.

#### Community Activities

- Attended the speaker event for Harm Reduction.
- Attended the TC Community Development Coalition meeting

Happy Summer Solstice!  
Michele P. Howard, MILS



## RESOLUTION

### Resolution of Support

Michigan Arts & Culture Council Grant Application

June 15, 2023

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WHEREAS the Traverse Area District Library (TADL) wishes to apply for a Capital Grant from the Michigan Arts and Culture Council to assist in renovation of the library bathrooms; and

WHEREAS the TADL is seeking a grant contribution of \$60,000.

NOW, THEREFORE, BE IT RESOLVED, that the TADL Board supports submittal of an application to the Michigan Arts & Culture Council for a \$60,000 grant to assist in funding renovation of the library bathrooms.

Motion by \_\_\_\_\_ seconded by \_\_\_\_\_,  
the President, Susan Odgers, declared the motion adopted. The following voted:

Yeas:

Nays:

Absent:

#### CERTIFICATION

I, Paul Deyo, Board Secretary, hereby certify that the foregoing is a true and original copy of the resolution adopted by the TADL at a regular meeting on June 15, 2023 at 3:00pm, which was held in accordance with the Open Meetings Act of the State of Michigan.

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Paul Deyo, Board Secretary