



TRAVERSE AREA  
DISTRICT  
LIBRARY

## **PUBLIC NOTICE**

The Traverse Area District Library  
**Regular Board Meeting**  
scheduled for

**June 18, 2020 at 4:00pm**  
at Fife Lake Public Library

### **will be held remotely**

due to Coronavirus Outbreak and  
in the Interest of the Public, Health Safety and Welfare.

Members of the public can remotely attend the meeting via the following:

<https://us02web.zoom.us/j/87671764928>

Access Code\* 876 7176 4928

Call-in: 1-312-626-6799

\*Access code may change without notice, please verify updates by going to the Traverse Area District Library website at the following link: <https://www.tadl.org/online-board-meeting/> .

Due to the high number of users utilizing remote meeting platforms, you may experience delays or difficulties in calling in or accessing the online meeting platform. TADL will make reasonable efforts to ensure the platform is open and accessible before conducting a remote meeting. Please contact TADL by phone 231-932-8527 or email [publiccomment@tadl.org](mailto:publiccomment@tadl.org) if you experience any difficulty in accessing the conference call meeting.

Anyone wishing to give public comment will need to call in and wait in a "virtual waiting room" where their microphones will be muted until they are called upon.

Members of the TADL Board of Trustees may be contacted by members of the public by using the following dedicated email address: [www.tadl.org/contact-the-board-of-trustees/](mailto:www.tadl.org/contact-the-board-of-trustees/) to provide input or ask questions on any business that will come before the TADL Board of Trustees at this

meeting. To contact an individual board member use the following email addresses: Joseph Jones (President) [jjones@tadl.org](mailto:jjones@tadl.org) ; Susan Odgers (Vice President) [sodgers@tadl.org](mailto:sodgers@tadl.org) ; Carol Sullivan (Treasurer) [csullivan@tadl.org](mailto:csullivan@tadl.org) ;Stephanie Mathewson (Secretary) [smathewson@tadl.org](mailto:smathewson@tadl.org) ; Michael Vickery (Trustee) [mwickery@tadl.org](mailto:mwickery@tadl.org) ; Jeffery Wescott (Trustee) [jwescott@tadl.org](mailto:jwescott@tadl.org) ; Marylee Pakieser (Trustee) [mpakieser@tadl.org](mailto:mpakieser@tadl.org) .

In addition, you may submit any comments that you have prior to the close of the public hearing and meetings to the following address: Traverse Area District Library, 610 Woodmere Ave., Traverse City, MI 49686; email ~ [publiccomment@tadl.org](mailto:publiccomment@tadl.org).

Any written public comments received by mail or email prior to the close of the meeting will be read into the record. The AGENDA is available at [tadl.org/governance](http://tadl.org/governance) and consists of the following items:

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
4. **Public Comment\***
5. **Approval of Minutes**
  - a. [Regular Meeting of May 21, 2020](#)
6. **Reports and Communications**
  - a. [Director Report](#) | [Departmental Reports](#)
  - b. Financial Reports – [Expenses](#) | [Revenues](#)
  - c. Member Library Reports – [FLPL](#) | IPL | PCL
  - d. Committee Reports
    1. Finance & Facilities and Services Committee – [June 9,2020](#)
    2. Policy & Personnel Committee – [June 2, 2020](#)
  - e. Other Reports and Communications
    1. Friends' Report – Doug Weaver, President Friends of TADL
    2. Marketing and Communications Manager Introduction, Heather Brady
7. **New Business**
  - a. [2019 Audit Report](#) – Jake Schierbeek, CPA (Dennis, Gartland and Niergarth)
  - b. [Exposure Prevention, Preparedness and Response Plan](#)
  - c. [4.1 Behavior Policy Revision](#)
8. **Public Comment\***
9. **Adjournment**

The Traverse Area District Library will provide necessary reasonable auxiliary aids and services to individuals with disabilities at the meeting upon at least 3 days' notice to the Library. Individuals with disabilities requiring auxiliary aids or services should contact the Library Administrative Office by emailing [publiccomment@tadl.org](mailto:publiccomment@tadl.org) or calling 231-932-8500.



## AGENDA - DRAFT

Board of Trustees Regular Meeting

Thursday, June 18, 2020 at 4:00pm

Virtual Meeting via Zoom

<https://us02web.zoom.us/j/87671764928>

Access Code: 876 7176 4928 | Call-in: 1-312-626-6799

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  8. **Public Comment\***
  9. **Adjournment**

\* If you wish to speak during the Public Comment section of the meeting, please (1) wait until you are recognized by name or last four digits of your phone number; (2) you will be unmuted by the moderator; (3) while not required, state your name and the county and township or city in which you reside; and (4) limit your comments to 5 minutes. Please keep all comments respectful. Pursuant to the bylaws of the TADL any person addressing the Board who becomes disruptive, unduly repetitive, or impedes the orderly progress of the meeting may be limited by the President.



**Board of Trustees Regular Meeting**  
**MINUTES (approved)**  
Thursday, May 21, 2020 at 4:00pm  
**Virtual Meeting via Zoom**

**1. Call to Order**

The meeting was called to order by President Jones at 4:12pm. Present were: Jones (President), Odgers (Vice President, left at 5:32), Mathewson (Secretary), Sullivan (Treasurer), Westcott (Trustee, arrived at 4:37pm), and Vickery (Trustee). Pakieser (Trustee) was absent. Also present were: Zeits (Counsel), Howard (Director), Radjenovich (Business Manager), Barrett (Zoom Moderator), and Carpenter (Staff).

**2. Pledge of Allegiance**

Because an American flag was not present and available to all members participating in the virtual meeting President Jones eliminated the Pledge of Allegiance from the May 21, 2020 agenda.

**3. Approval of Agenda**

Howard requested an amendment to the agenda adding New Business, item 8c, Borrower Fine Limit Revision. It was MOVED by Odgers, SUPPORTED by Mathewson, to approve the agenda as presented including the additional agenda item 8c requested by Howard. A roll call vote was taken with the following results:

Vickery – aye	Mathewson – aye	Jones – aye
Sullivan – aye	Odgers – aye	Westcott – absent
Pakieser – absent		

Motion CARRIED with 5 ayes and 2 absent.

**4. Public Comment**

President Jones opened the floor for public comment. There was none by attendees or submitted via email or chat.

**5. Approval of Minutes**

a. *Regular Meeting of April 16, 2020*

It was MOVED by Sullivan, SUPPORTED by Odgers, to approve the regular meeting minutes of April 16, 2020 as presented. A roll call vote was taken with the following results:

Vickery – aye	Mathewson – aye	Jones – aye
Sullivan – aye	Odgers – aye	Westcott – absent
Pakieser – absent		

Motion CARRIED with 5 ayes and 2 absent.

**6. Reports and Communications**

a. *Director Report*

Howard confirmed her written report and added the following:

- Howard was sad to report so many ‘zero’ usage stats because of the library closure for the entire month of April.
- Howard was happy to report that although staff are apart they are still ‘working together’ to provide regular digital services and is impressed with the new services which are highlighted in the administrative reports to the board.
- The district library directors have regular on-going communications and are working together to present a cohesive re-opening strategy. They are all working on grants such as the federal government CARES Act among others.

- The biggest news of April was finalizing the Memorandum of Understanding between TADL and TCAPS. An email will be going out to around 9000 TCAPS student families who will be getting a virtual library card to use online services for now. They will get a physical card at a later date and will have full access to library materials after re-opening.

Odgers inquired about solar panels for the library. Howard noted that she finished a grant through EBSCO that would provide \$100K toward solar panels or a solar array. If TADL were a recipient, Howard explained that it would offset the cost of shingles on part of the roof and provide renewable energy to offset electric costs. She would also anticipate a possible collaboration with Northwestern Michigan College to provide solar education programs to patrons. Odgers noted her appreciation for Howard's vision in this respect.

In response to Odgers' inquiry regarding the increase in electronic materials usage, Howard confirmed that it is likely unique to the closure since patrons only have access to digital resources at this time, however, usage could remain slightly higher than average in the future as patrons have had to incorporate more digital behaviors into their lifestyle during the pandemic.

President Jones noted appreciation for the inclusion of the monthly Administrative Reports in the board packet, and recognized the retirement of a long time employee, Sue Fluette, whose retirement date was shortly after the pandemic closure took place. Howard noted that given the situation staff had sent Fluette congratulatory e-cards.

b. *Financial Reports*

Radjenovich provided a detailed written review of the financial reports in the board packet and highlighted the following:

- All of the expected property taxes for the year have been received.
- Half of the state aid has been received, but Radjenovich is unsure as to whether TADL will receive the second half.
- Contributions are up due to memorial donations in the name of former board member George Galic.
- Interest and Dividends revenue has been steady this year to date.
- TADL will be receiving a \$500 CARES Act grant for purchasing personal protection equipment (PPE). The branch libraries will each receive \$300.
- Staff will be cutting back on ordering print materials for the rest of the year to help offset the increase in digital usage and loss of some revenues during the pandemic library closure.
- The audit work was fairly smooth and the auditors will present the completed audit to the board in June.

c. *Member Library Reports*

- Julie Kintner, Director of Fife Lake Public Library (FLPL), offered a verbal report, however, due to technical difficulties with the audio Howard stepped in and reported that FLPL outreach is still providing meals to seniors in the area and that Kintner has been providing books for the local schools.
- Renee <sup>Kelchak</sup> ~~Kechak~~, Director of Interlochen Public Library (IPL), reported that IPL held a virtual board meeting and she appreciated Howard provided commentary to the board about what other Michigan library directors are doing during the pandemic and summarized current executive orders from the governor and changing laws affecting libraries. IPL received 10% of the proceeds from the Friends of IPL plant sale. Green Lake Township may consider adding solar panels to the library. Kelchak reported that IPL received a good 2019 audit.
- Vicki Shurly, Director of Peninsula Community Library (PCL), has been the only staff member allowed in the library since the closure and is anxious to get staff and patrons back

into the building because without the people the library is just a warehouse of books. She provided a brief summary of PCL's re-opening plan. The Old Mission Associates will resume work on the children's garden soon. PCL received a grant from the Old Mission Women's Association for 2 ADA compliant picnic tables and an outdoor xylophone. PCL was offered a grant covering half the cost to install charging stations in the parking lot for electric vehicles. The Summer Reading Program will combine virtual programming with drive-up services.

d. *Committee Reports*

President Jones noted that neither the Policy and Personnel Committee nor the Finance and Facilities and Services Committee had not met.

e. *Other Reports and Communications*

- Friends' Report – Doug Weaver, TADL Friends Board President  
Weaver reported that the Friends have a full board now. Four new members were voted in and two members have left. The board will focus on looking ahead at fundraising under 'new normal' social distancing conditions. Amy Shamroe met with a committee of women who are working on a book about the history of the library in Traverse City.

Odgers inquired about online booksales in light of the current inability to hold their traditional booksale. Weaver briefly discussed the options and challenges the Friends would encounter sustaining online booksales on a short-term or a long-term basis.

7. **Old Business**

a. *Remove Library Closure hours on July 11, 2020 due to National Cherry Festival Cancellation*

It was **MOVED** by Odgers, **SUPPORTED** by Vickery, that the partial day closure hours be removed from the calendar as they are no longer needed because of the 2020 National Cherry Festival cancellation. Howard noted that although the library re-opening date is unknown she hopes to be offering curbside service at that time. A roll call vote was taken with the following results:

Vickery – aye	Mathewson – aye	Jones – aye
Sullivan – aye	Odgers – aye	Westcott – aye
Pakieser – absent		

Motion **CARRIED** with 6 ayes and 1 absent.

8. **New Business**

a. *4.11 Library Pandemic Response Policy*

President Jones introduced the pandemic response policy presented to the board. Discussion ensued. It was **MOVED** by Vickery, supported by Sullivan, to adopt 4.11 Library Pandemic Response Policy as is for procedural clarity and to recognize it as a placeholder with the intent to develop a broader emergency response management policy in the future. A roll call vote was taken with the following results:

Vickery – aye	Mathewson – aye	Jones – aye
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b. *Bibliotheca, LLC Invoice Payment Approval*

Howard noted that per policy the board must approve payment of all invoices over \$25,000 and explained that the Bibliotheca invoice is to pay for annual support and maintenance of the self-check computer terminals and the returns sorter. It was **MOVED** by Odgers, **SUPPORTED** by Vickery, to approve the payment of \$25,314.66 to Bibliotheca, LLC for annual support and maintenance as presented. A roll call vote was taken with the following results:

Vickery – aye	Mathewson – aye	Jones – aye
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Pakieser – absent

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c. *Borrower Fine Limit Revision*

Howard asked the board to approve an increase in the maximum fine amount, from \$5 to \$10, which a patron is allowed to have on their account before borrowing privileges are suspended. Howard would like to implement the change before curbside services begin in an attempt to reduce the need for staff and patrons to handle currency and optimize no-contact curbside services. It was MOVED by Odgers, SUPPORTED by Sullivan, to increase the maximum fine limit amount from \$5 to \$10 before a patron's borrowing privileges are suspended. A roll call vote was taken with the following results:

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9. **Public Comment**

President Jones opened the floor for public comment. There was none by attendees or submitted via email or chat.

There was a brief discussion between the trustees and counsel regarding mask requirements when the library reopens and Howard answered several inquiries from the trustees about possible timeframes for staff returning to work, quarantining book returns, and offering incrementally more services to the public.

10. **Adjournment**

With a multiple voice motion and with a roll call vote and the following results,

Vickery – aye	Mathewson – aye	Jones – aye
Sullivan – aye	Odgers – absent	Westcott – aye
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President Jones adjourned the meeting at 5:34.

Respectfully submitted,



V. Carpenter, Recording Secretary

Approved by board vote on June 18, 2020



S. Mathewson, Board Secretary



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Approved by board vote on June 18, 2020

V. Carpenter, Recording Secretary

S. Mathewson, Board Secretary



Board of Library Trustees Regular Meeting  
**Library Director Report**  
 Meeting Date: **June 18, 2020**

TRAVERSE AREA DISTRICT  
**LIBRARY**

**Library Activity**

For a graphical presentation of the statistical information included below, please visit the link: [online TADL dashboard](#). Library closed indefinitely on Friday, March 13, 2020.

<b>Circulation Transactions</b>			
<b><u>Year-to-date activity</u></b>			
<b><u>As of month end</u></b>	<b><u>Print/audio/video Circulation</u></b>	<b><u>Electronic books/audio/video</u></b>	<b><u>Total Circulation/Electronic Usage</u></b>
May 2019	455,638	95,625	551,263
May 2020	224,282	124,058	348,340

Lending

Physical item circulation decreased 50% in May from the previous year due to the Coronavirus pandemic. There was almost zero circulation of any items at any branches due to our closure.

E-Book, magazine, downloadable audiobook and database utilization

In May, electronic use accounted for 55% of all collection utilization versus 17.5% for May 2019. Year-to-date usage of electronic resources increased 30% from 2019.

Visitors – Woodmere, East Bay and Kingsley Facilities

In May 2020, an average of 0 visitors per day visited our main library and two branches vs. 1,537 in 2019.

Public Computing

In May there was no use of our public computing.

Additions to the Collection

In May 2020, 1,680 items were added to the collection compared to 3,316 in May 2019.

**Finances**

We have received more than estimated in property taxes and half of our State Aid money. We have not had any estimates about Penal Fines but expect those to be down by half to one third. Deb and I will provide a revised budget after we receive the Penal Fines in July.

We are happy to report a clean audit by our auditors and look forward to making improvements for future years.

**Facilities**

As we have missed the window of cold air to test our roof work that was completed, we will be waiting on any further work. Expenses are being incurred as we fit our library with protective shields as required by Executive Order and to keep staff and patrons safe.

### **Other News**

During May, we continued to excel at our digital offerings including offering our first webinar by Adult Services and Youth Services. We continued to plan on closure and offering no services for the indefinite future but that all changed on June 1<sup>st</sup>. I am thankful for the careful planning done by the staff and Trustees that will hopefully ease this transition. We are very busy trying to transition to all the services in new ways to meet the needs of our patrons. We know our community needs us and we are doing our very best to keep them and our staff safe.

On May 28<sup>th</sup>, I did a FB Live Event about the State of the Library. While I was pretty nervous about this, it turned out well and has garnered over 1,500 views.

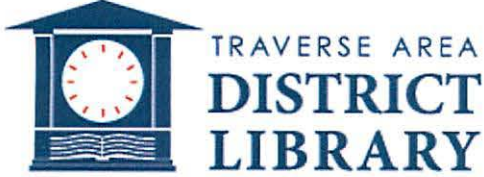
We are happy to announce a hybrid Summer Reading Club starting Monday, June 15<sup>th</sup>. The theme this year is "Imagine Your Story" including an emphasis on fairy tales, folk lore, and the like. We'll have digital materials, craft hand-outs via curbside service and our traditional reading logs and bookmarks that can also be printed at home.

### **TADL Operations**

Please see the departmental reports for a more in-depth look at what is happening at the Main Library and East Bay and Kingsley branches.

Happy Summer!

Michele P. Howard  
Library Director



**Administrative Reports**  
for the month of May  
(June 18, 2020 Board Meeting)

**Adult Services**

- During the month of May, Adult Services continued to offer our popular virtual knitting programs and also expanded our virtual programming repertoire. We offered two different book discussion opportunities - one was a book talk offered live on Facebook with Melissa sharing recent reads and the other was a Zoom meeting led by Kate, where everyone got to talk about books they've been reading during quarantine. We also began a partnership with Erin Goldman, who presented a session on Mindfulness and Meditation at the TADL Staff Inservice Day. She is offering a virtual meditation session through the library every Wednesday morning at 10am via Zoom. Everyone is welcome! You can find the links to register on our [tadl.org](http://tadl.org) events page.
- Andy Schuck, Youth Services Coordinator, and Melissa McKenna, Adult Services Coordinator, collaborated on facilitating a virtual Parenting during COVID-19 panel discussion by experts in the field of childhood development and Adverse Childhood Experiences (ACEs). The experts explained what ACEs are, gave parents ways to ensure self-care, and suggestions for helping their children through these troubling times. We had 11 people attend the event "live" and more than 15 people have watched the video on YouTube. This was a timely and important topic to be shared with the community and we look forward to more collaborations such as this in the future.
- Melissa returned to work at the library during the last week of May, along with the leadership team. It was quiet, a bit lonely, and spooky being one of the few people in the closed library! She made preparations for the Adult Services staff to return by making schedules, ensuring everyone knew the plan for returning to work, amassing the needed PPE and disinfecting products for the department and tackling the pile of mail that had amassed.
- Staff continues to attend webinars regarding COVID-19 updates, online services, program development, and skills building. Staff also continue to reply to emails, return phone messages, chat with patrons online, post on TADL's social media, order materials for print and digital platforms, and hold virtual programs.
- Here are our statistics for the month of May:
  - 222 emails answered
  - 33 phone calls returned
  - 10 virtual programs held
  - 102 program attendees
  - 366 views of recorded virtual programs
  - 5 reference chat sessions

- 30 reading recommendation form requests fulfilled

Melissa A. McKenna  
Adult Services Coordinator

### **Youth Services**

Youth Services continued to host virtual programming for families during the Covid-19 pandemic, including weekday storytimes with Mr. Matt, Mr. Andy, and Miss Linda, as well as Wednesday afternoon craft and STEAM activities with Mr. Andy. It has been great to see the way staff have adapted to the strictures of the pandemic in order to continue to offer quality programming to our families. Due to the nature of online viewing, attendance numbers aren't as clear cut as in-person programming but we were able to count 376 sustained live interactions with YS programming (not counting recorded program viewing).

Youth Services staff spent much of May planning their sizable role in this year's Summer Reading Club. From Storywalks to Dial-a-Story to Zoom meetings with performers to Zoom rooms for families to report reading minutes to weekly and finisher prizes, we spent a lot of time making sure this year's SRC will continue to offer families valuable, literacy- and learning-based fun. While nothing is certain in today's Covid-19 world, we are excited to see what SRC 2020 brings.

In addition to the above, staff continued much of their work from home, including book buying, weekly department check-ins, learning modules via the Library of Michigan, Webjunction, and STEM Ecosystems, as well as storytime and program planning (or testing out). But we certainly miss the everyday interactivity with our community's most energetic, smile-worthy and whimsical patrons, the children. We can't wait for Summer Reading Club!

Andy Schuck  
Youth Coordinator

### **Teen Services**

Teen Services has been busy getting ready for summer. Colleen and I have been developing more virtual programming for the summer. We have also been working on craft kits for the teens. In the summer we do a lot of crafting programs that incorporate skills that the teens might not use very often. This summer we will be creating instruction videos for our crafts so that we can continue to offer some more advanced skills, such as hand sewing, as well as crafts that are just fun.

Linda Smith  
Teen Services Coordinator

### **Sight & Sound**

May meetings and working on organizing plans to return to work. I did get the opportunity to assist Melissa and Andy with a video editing project.

- Meeting with Michele and the leadership team on return to work plans.
- I did video editing and publishing on YouTube and TACM.TV for "Parenting during Covid -19" hosted by Melissa and Andy.
- Video Editing and publishing on YT and TACM.TV on TADL Board Meeting May 21, 2020.
- Communications and documentation with Staff regarding return to work.
- Follow up with canceled Meeting Room reservations.
- Social media posts regarding music and film resources.

On Aaron's Desk: Preparing reorganizing the department to accommodate for proper social distancing. Video production, Meeting with Heather Brady, Scheduling staff for return to work.

Thanks for reading.

Aaron

### **Circulation**

I have been attending meetings. We have been working on a plan for opening the drops and curbside service.

Kristi Jackowski has transferred to Processing. We held interviews to fill her position. I would like to welcome Kate Parvel to the Circulation team.

TADL-wide we sent out 1577 items in MelCat in February and 559 in March. We received 1990 in February and 880 in March.

Anita Chouinard

Circulation Coordinator

### **Marketing and Communications**

I'd like to take a second to introduce myself - I'm Heather Harris-Brady and I'm your new marketing and communications manager. I've had a wide range of experience outside of marketing - reporter, commercial artist, technical writer/illustrator - and I worked for three years during college in the art library at Michigan State. It was a very exciting first week on the job! I'm really looking forward to learning much more, completing my first marketing update next month, and serving TADL to the best of my ability. Thank you for this opportunity!



Heather Brady  
Marketing & Communications Manager

Newsworthy during May:

- [TADL Hosting Webinar about Family and Self-Care during Stressful Times](#), TV9&10. May 13, 2020.
- [Traverse Area District Library Installs Opioid Reversal Kit](#), TV 9&10 News. May 14, 2020.
- [Traverse Area District Library Holds 'Parenting During COVID-19' Webinar](#) 9&10 News. May 15, 2020.

## **HR & Finance**

**Human Resources** - Well here we go again. One month has brought about a slew of more changes. Plans for today are not the plans for tomorrow. A month ago we couldn't imagine being allowed to open to the public any time soon and yet things changed and we've been given the go ahead. However, this isn't as simple as turning the key and letting people in. From an HR point of view, there are many safety measures for both employees and the public that need to be considered. Michele was able to get PPE (Personal Protective Equipment) for employees to wear and the shields to provide a physical barrier at the public service desks. Training must be completed and signed off prior to employees working in the building. Daily health screenings are done prior to employees reporting for work. We have also had a few employees who have made the tough decision to not come back to work. These are still scary times and we are cognizant of the fact that our employees are out there working in and with the public.

Since we have been given the go ahead to open, we are in the process of hiring a replacement for Kate in the Adult Services department and to finish filling a vacancy in the PCC (Public Computing Center) that was put on hold when the library closed. On June 1<sup>st</sup>, Heather Brady started in her position as the Marketing and Communications Manager. This was none too soon as that was the day that the Governor gave the go ahead to open. Thankfully, Heather had already been thinking and planning for this and was able to jump right in.

While we plan to open the building and have employees here working, we also have a few employees who will still be working from home some. Much of the Admin and Tech staff are able to work remotely and will continue to do so as much as possible to keep the number of employees in the building to a minimum.

**Finance** – Looking at our Revenue, we have received the first half of our State Aid for both the library and the Talking Book Library. However, we still don't know if we will be receiving the second half of those dollars. The money for the TBL is actually federal dollars that is funneled through the state so we hope that will at least come through. Under Fees/Services, we received

a contract payment from the Interlochen Center for the Arts. Just a reminder that we won't know what our Penal Fines are until around the end of July.

For Expenses, our personnel costs are down some from last year and under budget for this year to date. Some of this is due to employees who have left but were not replaced immediately due to the closure of the library. You will see under the Professional and Contractual Services that we are under budget. This is still due to the contract I mentioned last month that Michele was negotiating. We should be receiving the invoice for this soon. Education and Travel took a jump this month as we have three employees who are going to school and payment was made for the successful completion of classes. Because we have not been open, our Printing, and Advertising and Outreach costs are well under budget. This will pick up now as we have a need to communicate with the public our plans to open in a safe manner. Utilities remain lower than normal as is our General Maintenance. As you can see overall our expenditures are in line with the percentage of the year complete.

Finally, Michele and I are happy to have our audit complete and with this board meeting presentation it will be in our rear view mirror and we can concentrate on our day to day tasks.

Deb Radjenovich  
Business Manager

### **Facilities**

I had rotator cuff surgery the first part of May so I was out of action for most of the month. With the building closed not much happened until we began to bring staff back. After starting the HVAC system I found the small chiller was not running. Trane had to replace a couple of fuses and do some reprogramming and it is running fine now.

I had Spence Brothers in to finish sealing the air barrier over the second floor and the air/water balance company should be doing their final inspection in June.

I spent the last week of the month assisting staff in making the building safer for the return of business. That process will continue in June.

Bruce Bennett  
Facilities Manager

### **Technology**

***TCAPS Partnership*** - We are happy to report that we have completed the first phase of the TCAPS library card program. After matching existing accounts, over 4,300 new library accounts were created for TCAPS students. Though we were unable to issue physical cards due to the schools being closed, virtual card numbers were emailed along with links to the district's online resources. Unfortunately Pre-K students were accidentally skipped over, so we are in the

process of creating accounts for them now. We hope to be able to provide physical cards to the students when schools open in the fall. Jeff Godin deserves special recognition for his work on this project.

***Preparing for Re-Opening*** - As we begin to restore library services and reopen our facilities, the technology department has been busy setting up new phone lines, changing our circulation software to support curbside pickup, moving computers to allow for social distancing, and variety of other work to meet the district's new needs. It is a challenging but exciting time and we are fortunate that most of our software and infrastructure is open source and managed in-house, which has allowed us to make changes quickly. I'd like to thank the entire technology team for being flexible and rising to the occasion. Great work.

- Scott Morey, Asst. Director for Technology

### **TADL Talking Book Library**

This month's gathering of the Visually Impaired Persons support group was conducted via conference call. We discussed concerns about reopening and social distancing when the low- to no-vision experience of the world is very tactile, many rely on drivers and public transportation in close quarters, sighted guides generally take an elbow or shoulder to lead, etc. While we continue to contemplate solutions, all agreed it was very nice to catch up and share stories about our experiences.

Reference and reader's advisory services continued through phone, email and U.S. mail. Our book circulation numbers more than tripled this month as we worked to provide materials during these especially isolated times. Many thanks to the TADL technology department for facilitating at-home access to our specialized data systems.

Polly O'Shea  
TBL Librarian

### **East Bay Branch Library**

We have spent the month of May preparing to bring staff back into the building, getting ready for the drop box reopening, and preparing for curbside pick up services to begin June 16th. Summer Reading Club plans are underway as we "Imagine Our Story". We will have prizes and giveaways including "take&make" craft bags for all ages and snacks for kids and families in need as part of the healthy kids initiative. We will install our Summer StoryWalk and have plans to install a Little Free Library as well. Volunteers are currently working on constructing a tiny version of the East Bay Branch, and we hope to be able to have a dedication later in the year when it is safe to do so. The East Bay Branch Library will be celebrating thirty years of TADL branch library service in this location and that's something worth celebrating!  
Respectfully Yours,

Rosie May

Branch Manager  
East Bay Branch Library

**Kingsley Branch Library**

May was a month of planning and replanning in response to various changes. Since we expected to be open for curbside service in mid-June, I made several workflow changes and space changes to accommodate for social distancing and creating a safe work environment. Karen Pack continues to prepare our collection for reopening. Brian Carey has attended a number of Summer Reading Club activity webinars, earning continuing education credits, and developed a number of ideas for virtual programming. Beth Anderson also has focused on SRC and our more tactile offerings (make-and-take projects, reading challenges, etc.) Our final draft of our SRC calendar is now ready. Typically we only erect one StoryWalk in our Children's Garden during the summer, but thanks to the Village of Kingsley and our volunteers at Kingsley Friends of the Library, we will be installing a second walk at Civic Center South this year.

I delivered our final report for the 2020 Ready To Read Michigan program in early May. The program, which featured the book *A Parade of Elephants* by Kevin Henkes, was a toolkit designed to assist libraries in providing outreach and developing early and family literacy in our community. We have participated in this annual program for several years in a row. This year, our outreach included four programs for our preschool patrons at St. Mary of Hannah's, Pitter Patter, and our own Wigglers. We reached a total of 152 eager young readers and their families. Additional programs were scheduled but were canceled.

We lost another longtime Kingsley Friend, Vicki Nickerson, early in May. Vicki served as Secretary of the Friends for many years. She was also a favorite educator in our community, teaching Kindergarten for 45 years at Kingsley Schools. As a volunteer with the Friends, she helped to organize our largest fundraiser, the Kingsley Adams Fly Festival, and was very active in developing many of our literacy outreach programs. Her loss is keenly felt throughout Kingsley, and especially in our library family.

Respectfully submitted,

Amy Barritt  
Kingsley Branch Manager

**TRAVERSE AREA DISTRICT LIBRARY**  
**CONSOLIDATED EXPENSES**  
**MONTH ENDING**  
**MAY 31, 2020**

<b>CATEGORY</b>	<b>BUDGET</b>	<b>2020 YTD</b>	<b>2019 YTD</b>	<b>VARIANCE</b>	<b>% OF BUDGET</b>
Salaries & Wages	2,412,415	902,374	925,676	1,510,041	37.4%
Social Security/Medicare	67,301	24,862	25,381	42,439	36.9%
Health/Hospitalization	337,541	143,430	183,051	194,111	42.5%
Vision Insurance	3,845	1,352	1,748	2,493	35.2%
Dental Insurance	26,140	9,235	11,564	16,905	35.3%
Life Insurance	9,085	3,951	3,919	5,134	43.5%
MERS Defined Contribution Retirement	149,050	56,512	59,002	92,538	37.9%
MERS Unfunded Liability	120,000	50,000	41,470	70,000	41.7%
401K Retirement Contribution	113,000	40,773	42,344	72,227	36.1%
Unemployment Comp.	7,240	0	0	7,240	0.0%
Workers' Compensation	7,500	0	1,790	7,500	0.0%
Disability Insurance	8,240	3,689	3,711	4,551	44.8%
Office/Cat./General Supplies/Postage	123,015	33,943	31,737	89,072	27.6%
Books/Media/Online Resources	601,980	269,248	272,331	332,732	44.7%
Repair & Maintenance Supplies	6,750	403	1,819	6,347	6.0%
Professional & Contractual Services	272,955	49,091	98,015	223,864	18.0%
Communications	29,290	6,574	8,543	22,716	22.4%
Education & Travel	63,920	15,076	9,437	48,844	23.6%
Printing	10,400	19	585	10,381	0.2%
Advertising & Outreach	20,400	2,180	7,255	18,220	10.7%
Insurance & Bonds	32,040	30,993	29,889	1,047	96.7%
Utilities	118,200	29,555	36,843	88,645	25.0%
General Building & Grounds Maintenance	355,170	73,530	80,267	281,640	20.7%
Member Allocations	550,188	550,188	535,605	0	100.0%
Miscellaneous	3,500	0	617	3,500	0.0%
Property Tax Reimbursement	6,500	1	0	6,499	0.0%
Furniture/Equipment/Software	93,850	28,633	26,961	65,217	30.5%
Contingency	7,000	0	0	7,000	0.0%
<b>TOTAL EXPENDITURES</b>	<b>5,556,515</b>	<b>2,325,614</b>	<b>2,439,560</b>	<b>3,230,901</b>	<b>41.9%</b>
<b>2020 APPROVED BUDGET</b>					
<b>EXPENSES BY CATEGORY</b>					
Personnel	3,261,357	1,236,180	1,299,656	2,025,177	37.9%
Supplies	731,745	303,594	305,887	428,151	41.5%
Other Services and Charges	1,456,063	757,206	807,056	698,857	52.0%
Capital Outlay	107,350	28,635	26,961	78,715	26.7%
<b>TOTAL EXPENDITURES</b>	<b>5,556,515</b>	<b>2,325,614</b>	<b>2,439,560</b>	<b>3,230,901</b>	<b>41.9%</b>
This statement reflects activity through the fifth month of the 2020 fiscal year.					
Percentage of the year completed 41.7%.					
Certain items with higher percentages may have been paid quarterly or annually for the fiscal year.					

**TRAVERSE AREA DISTRICT LIBRARY**  
**REVENUE**  
**MONTH ENDING**  
**MAY 31, 2020**

<i>CATEGORY DESCRIPTION</i>	<i>BUDGET</i>	<i>2020 YTD</i>	<i>2019 YTD</i>	<i>VARIANCE</i>	<i>% OF BUDGET</i>
Property Tax (Current, Delinquent, Other)	4,964,590	4,978,445	4,760,511	(13,855)	100.3%
State Aid - Library	77,350	38,655	0	38,695	50.0%
State Aid - TBL	41,075	20,536	20,536	20,539	50.0%
Local Support - TBL & Other Grants	10,000	11,880	6,357	(1,880)	118.8%
Fees/Services	42,000	28,136	28,216	13,864	67.0%
Sales	38,000	6,542	24,439	31,458	17.2%
Penal Fines - \$220,000 for this Category per budget		0			
Penal Fines - Grand Traverse Co.	190,900	0	0	190,900	0.0%
Penal Fines - Leelanau Co.	6,500	0	0	6,500	0.0%
Penal Fines - Benzie Co.	22,600	0	0	22,600	0.0%
Overdue Fines/Replacement Fees	100,000	17,863	49,057	82,137	17.9%
Interest & Dividends/Gains/Losses on Inv.	15,000	20,654	9,127	(5,654)	137.7%
Rents & Royalties	7,000	1,400	2,600	5,600	20.0%
Contributions	40,000	11,995	6,397	28,005	30.0%
Reimbursements	1,500	600	15	900	40.0%
<b>TOTAL REVENUE</b>	<b>5,556,515</b>	<b>5,136,706</b>	<b>4,907,255</b>	<b>419,809</b>	<b>92.4%</b>
Transfer In				0	
Use of Fund Balance				0	
<b>TOTAL</b>	<b>5,556,515</b>	<b>5,136,706</b>	<b>4,907,255</b>	<b>419,809</b>	<b>92.4%</b>
<b>TOTAL REVENUE, TRANSFERS &amp; USE OF FB</b>	<b>5,556,515</b>	<b>5,136,706</b>	<b>4,907,255</b>	<b>419,809</b>	<b>92.4%</b>
<b>TOTAL EXPENDITURES</b>	<b>5,556,515</b>	<b>2,325,614</b>	<b>2,439,560</b>	<b>3,230,901</b>	<b>41.9%</b>
<b>REVENUE OVER (UNDER) EXPENSE</b>		<b>2,811,092</b>	<b>2,467,695</b>		
This statement reflects activity through the fifth month of the 2020 fiscal year.					
Percentage of the year completed is 41.7%.					

**Fife Lake Public Library  
Director's Report  
June 10, 2020**

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**Closed due to COVID-19**

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**Updates:**

It is with great sadness that we say goodbye to a wonderful employee, Sara Boven. Sara worked for our Library for over 8 years and was an irreplaceable employee, coworker and friend. She had endless love for the Library world and our community. She will be forever missed at the Fife Lake Library. We have been notified by her family that they would like memorials to come to the Fife Lake Library. I have spoken with Michele and memorials can be made to either TADL or Fife Lake. We will discuss how to utilize the monies in an appropriate way that honors Sara's devotion to our Library.

**Friends:** The Friends have generously purchased 500 customized ink pens for the staff to give to patrons. This not only helps to maintain a safe facility, but also for awareness to the community of how the Friends support can help the Library. We are grateful for their support.

**Grants:** I have applied for two part CARES grants that are available through the Library of Michigan. The first part is a \$500.00 grant to assist with the purchase of PPE equipment and facilities supplies. The second part is a \$1000.00 grant for digital inclusion supplies and services. Both of these grants would help offset the costs incurred during the COVID pandemic and assist with helping to minimize the digital divide in our community.

**Senior Center:** The seniors continue to be grateful for the meals and appreciated the extra fresh produce they received this month. The numbers are gradually going down as everyone is beginning to venture back out. We are in the process of planning programs that will allow safe gatherings for our senior patrons.

**WCMU Mount Pleasant PBS Public Broadcasting:** They were given an anonymous donation and have chosen Fife Lake Library as one of three recipients for part of the donation. They have ordered 250 books for us to utilize for our summer reading program and will also be including printed activity materials. This is the second time in recent years the public broadcasting station has supported us for our summer reading programs.

**Summer Reading:** We have been rethinking our program and looking at creative ways to encourage summer literacy. We are going to focus on safe, social distancing programs for this summer. All of our entertainment programs have been cancelled and we have received refunds from most of them. I have been in contact with Kelly Holeman, Middle/High Principal, and Joe Kreider, SEEDS Coordinator, to work together on a summer reading program. They have both agreed we should utilize the buses that are delivering meals to the children to reach more families in the community along with the Library. We will be planning activities to pick up and take home, continued reading and recording minutes, story walks throughout the community and hopefully a fun, outside carnival to wrap it all up.

**State Aid:** We have received our first half of our state aid from the Library of Michigan in the amount of \$1107.70, half of which will be paid to the Northland Cooperative per agreement to cover our courier services and co-op expenses. We are hoping to receive the second half of State Aid in August.

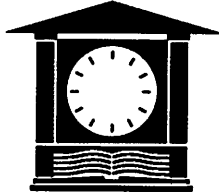
**Employment Postings:** We will be filling the following vacancies as soon as possible:

Cleaning/maintenance person, Youth/Children's Librarian, and Library Sub. The postings will be listed in our newsletter and throughout the community and library network.

COVID Updates: I continue to review the recommended and required guidelines required by all areas of government. All regular staff have returned to work and have been trained on appropriate safety guidelines. Our staff feels our Library now meets the criteria necessary and has the confidence to begin allowing patrons in the facility. This will be a slow process. We are encouraging all patrons to return any items that will fit in our drop boxes. We have a quarantine process in place and cleaning supplies at every corner. We are offering curbside delivery and have started to allow patrons to step in the foyer area to request and pick up items or to have a face to face conversation with our staff. We have been busy scanning, copying and faxing items for patrons and are seeing a great need for computer services to be offered again. At this time we are not charging for any services to our patrons. Once we fully open, we will begin initiating fees. We will remain alert and continue with safety regimes to keep the library as safe as possible for our patrons. It is a great feeling to know how missed we have been and wonderful to start allowing services to the community.

Sincerely,  
Julie Kintner, Director





TRAVERSE AREA DISTRICT  
**LIBRARY**

## TADL Board of Trustees Policy and Personnel Committee Minutes

June 2, 2020  
10:30 am~ Zoom meeting

610 Woodmere Ave. / Traverse City, MI / 49686

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**Attendance:** S. Mathewson, Trustee; D. Radjenovich and M. Howard, Staff.

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

**Minutes Approval:** The minutes of the February 4, 2020 Policy and Personnel meeting were approved.

**Public Comment:** There was none.

### **Policy Issues:**

#### **Remote Access for Board Meetings**

Howard discussed the issue of having remote access to meetings as brought up by Trustee Vickery. Howard will look at policies from other libraries and discuss this with legal counsel, and bring this to the next Policy Meeting.

#### **TADL Preparedness Employee Plan**

Howard provided to the committee the TADL COVID-19 Exposure Prevention, Preparedness and Response Plan, that is required by Executive Order for discussion. Mathewson thought the plan looked good and was in line with other plans she had seen. Mathewson recommended it to the Board for their review.

#### **Patron Behavior Policy 4.1 Patrons required to wear Masks**

Howard discussed the issue of putting the statement into our behavior policy that patrons must wear masks if required by Executive Order. Mathewson thought this was a good idea and did relay some information regarding the experiences of staff at Oryana. Howard will work with legal counsel and bring this to the June Board Meeting for discussion and possible approval.

#### **Patron Behavior Policy 4.1 Sick Patrons Policy**

Howard explained that some libraries are including in their Behavior Policies a statement that would allow staff to ask patrons to leave if they are presenting symptoms of sickness. A discussion followed that this could be fraught with trouble but might be an important safety measure for fellow patrons and staff. Howard will research this some more and bring it back to the July meeting

**Next Meeting Date / Time:** July 7, 2020 at 10:30am.

**Next Meeting Topic Suggestions:** Video/Photographing patrons and staff; Sick Patron Policy; Howard Review

**Public Comment:** There was none.

**Adjournment:** The meeting adjourned at 11:15 am

**Traverse Area District Library**

**FINANCIAL STATEMENTS  
AND REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**

December 31, 2019

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**Traverse Area District Library  
Management Discussion and Analysis  
For the year ended December 31, 2019**

As management of the Traverse Area District Library (the “Library”), 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, 2019. 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. Taxes collected in 2019 were based on 2018 taxable values, which increased 4.896% over the previous year. 2019 taxable values, which determine what the Library receives in 2020, increased 5.128%. Operating revenue generated by 2018 taxes collected in 2019 increased 4.43%.
2. In addition to a supplemental payment of \$200,000 to the Municipal Employees’ Retirement System (MERS) toward our unfunded pension liability, we also remitted \$99,528 in monthly payments in 2019. The \$200,000 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 87% versus 77% last year. Also adding to this funding level were investment gains during the fiscal year.
3. We are pleased to report that total general fund revenue increased by approximately 4.8%. Expenses increased .8% over 2018. The revenue total does not take into account the \$200,000 transfer in for the payment to MERS although the expense total does include the disbursement.
4. The Unassigned General Fund Balance increased by \$22,830 from last year’s audit, bringing the total to \$926,090. This increase preserves a balance equal to two months of operating expenses.
5. Member library contracts with Fife Lake Public Library, Interlochen Public Library and Peninsula Community Library, will expire on December 31, 2021. Funding is based on the percentage of increase or decrease in collections of Property Taxes, Penal Fines and State Aid in the prior year. The total of these revenue sources increased in 2018, resulting in an increase in member library funding of 2.7% in 2019.
6. Our Teamsters Union labor contract, which was ratified in October 2016, was re-negotiated with no new changes for two years and will expire at the end of 2021. This still includes the 3% annual wage increases each year of the two-year extension.
7. Personnel expenses were up 1.2% in 2019 and wages increased 2.2%. Union staff received a 3% increase according to their contractual agreement, and salaried staff received the same amount. There were several retirements during the year which required significant payouts of PTO and reserve sick leave bank hours. Employee insurance premiums, which include employer contributions toward employee HSA accounts, were down 5.7% in total.
8. 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, and .9382 in 2019. We expect another rollback this year but we are unsure what to expect in the years following due to the pandemic.
9. The Library continues to operate well within current revenue collections.

**Traverse Area District Library  
Management Discussion and Analysis  
For the year ended December 31, 2019**

**Overview of the Financial Statements**

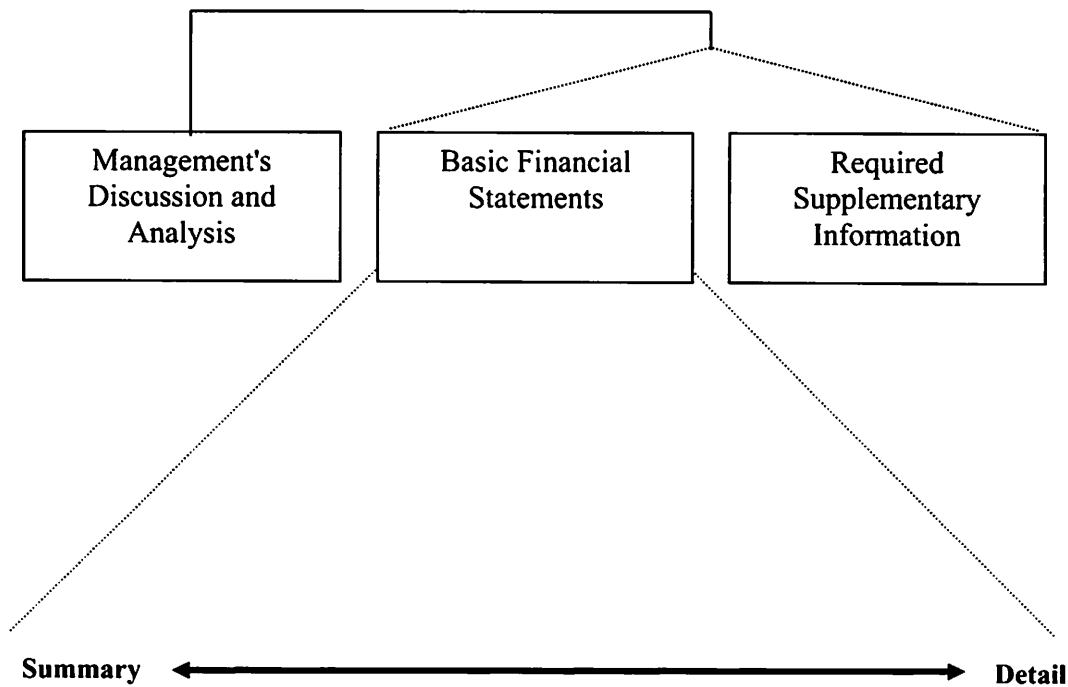
This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Library.

- 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.
- Capital Projects Funds statements provide information about capital projects during the year.

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***



**Traverse Area District Library  
Management Discussion and Analysis  
For the year ended December 31, 2019**

**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.

**Traverse Area District Library  
Management Discussion and Analysis  
For the year ended December 31, 2019**

**Financial Analysis of the Library as a Whole**

*Net position.* The Library's combined total net position was \$8,550,742 on December 31, 2019, an increase of 1.9% from the prior year. Figure A-2 illustrates the net position on December 31, 2019 and 2018.

**Figure A-2**

*Condensed Statement of Net Position*

	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Current assets	\$ 8,206,462	\$ 8,469,712
Non-current assets	6,817,606	6,354,198
<b>Deferred outflows of resources</b>	21,875	522,352
Total assets and deferred outflows of resources	<u>\$ 15,045,943</u>	<u>\$ 15,346,262</u>
<b>Liabilities</b>		
Current liabilities	\$ 206,510	\$ 171,590
Non-current liabilities	1,138,767	1,914,163
Total liabilities	1,345,277	2,085,753
<b>Deferred inflows of resources</b>	5,149,924	4,869,168
<b>Net position</b>		
Invested in capital assets	6,817,606	6,354,198
Restricted	1,537,136	1,897,143
Unrestricted	196,000	140,000
<b>Total net position</b>	<u>8,550,742</u>	<u>8,391,341</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 15,045,943</u>	<u>\$ 15,346,262</u>

*Changes in net assets.* The Library's total revenue of \$5,568,174 was more than expenditures; increasing net assets by \$159,401. This increase was primarily due to increases in property tax revenues and investment earnings.

Of the Library's \$5,408,773 in expenditures, approximately 60% is related to personnel costs.

**Traverse Area District Library  
Management Discussion and Analysis  
For the year ended December 31, 2019**

**Figure A-3**

**Changes in Net Position from Operating Results**

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Program revenue		
Charges for services	\$ 87,430	\$ 79,539
Operating grants and contributions	250,408	165,193
Total program revenue	337,838	244,732
General revenue		
Property taxes	4,774,253	4,647,690
Fines and forfeitures	345,362	363,461
Unrestricted investment earnings	110,721	47,436
Total general revenue	5,230,336	5,058,587
Total revenue	5,568,174	5,303,319
<b>Expenditures</b>		
Library services	4,856,685	4,863,518
Depreciation - unallocated	552,088	542,705
Total expenditures	5,408,773	5,406,223
<b>Increase (decrease) in net position</b>	159,401	(102,904)
Net position - beginning of year	8,391,341	8,494,245
Net position - end of year	\$ 8,550,742	\$ 8,391,341

**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 \$2,977,858.



**Traverse Area District Library  
Management Discussion and Analysis  
For the year ended December 31, 2019**

**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.

- Salaries and Wages, Medical Insurance, and Retirement Contributions were \$62,467, \$30,611, and \$17,586 under budget, respectively, due primarily to retirements of tenured employees and subsequent hiring of younger employees.
- There was one adjustment to the revenue budget this year. The original budget was adjusted upward for the Talbot Trust donation of \$81,000. Under expenses, Capital Improvements budgets were adjusted upward for some year-end purchases as well as Operating Supplies (books, etc.) budgets. Insurance and Bonds budgets were also adjusted upward. The largest budget amendment was to the MERS Unfunded Pension Liability account to adjust for the \$200,000 payment.

**Figure A-4**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>General Fund Revenues</i>			
Property taxes	\$ 4,786,000	\$ 4,774,201	\$ (11,799)
State grants	113,075	119,138	6,063
Other grants	10,000	14,670	4,670
Charges for services	81,000	87,430	6,430
Fines and forfeitures	365,000	345,362	(19,638)
Investment income	15,000	51,214	36,214
Contributions and other income	130,500	116,600	(13,900)
<b>Total revenues</b>	<u>5,500,575</u>	<u>5,508,615</u>	<u>8,040</u>
<i>General Fund Expenditures</i>			
Personnel	3,377,500	3,265,855	111,645
Supplies	778,890	771,135	7,755
Other services and charges	1,353,785	1,240,026	113,759
Capital outlay	167,400	152,839	14,561
<b>Total expenditures</b>	<u>5,677,575</u>	<u>5,429,855</u>	<u>247,720</u>
<i>Other Financing Sources (uses)</i>			
Operating transfers in	200,000	284,919	84,919
Operating transfers out	(319,273)	(319,273)	-
<b>Total other financing sources (uses)</b>	<u>(119,273)</u>	<u>(34,354)</u>	<u>84,919</u>
<b>Net change in fund balance</b>	<u>\$ (296,273)</u>	<u>\$ 44,406</u>	<u>\$ 340,679</u>

**Traverse Area District Library  
Management Discussion and Analysis  
For the year ended December 31, 2019**

**Capital Asset and Debt Administration**

**Capital Assets**

By the end of 2019, the Library had invested approximately \$14.3 million in a broad range of capital assets, including building improvements, books, computer and audio-visual equipment. Total depreciation expense for the year was \$552,088. Figure A-5 details the historical costs, accumulated depreciation, and book value of the Library's capital assets.

**Figure A-5**

*Statement of Capital Assets*

	2019	2018
Land	\$ 345,545	\$ 345,545
Construction in progress	525,038	-
Building	7,727,546	7,727,546
Collections	3,530,560	3,416,537
Furniture & equipment	2,206,018	2,222,228
 Total capital assets	 14,334,707	 13,711,856
 Accumulated depreciation	 7,517,101	 7,357,658
 Net capital assets	 \$ 6,817,606	 \$ 6,354,198

**Debt Administration**

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

**Figure A-6**

	2019	2018
Governmental activities:		
Compensated absences	\$ 267,714	\$ 279,650

**Traverse Area District Library  
Management Discussion and Analysis  
For the year ended December 31, 2019**

**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 86% of total funding. Taxable value increases/decreases in the last decade are as follows according to annual county equalization reports:

- 2011 (2.13%)
- 2012 (.286%)
- 2013 2.578%
- 2014 1.762%
- 2015 3.273%
- 2016 1.683%
- 2017 3.622%
- 2018 4.896%
- 2019 5.128%
- 2020 5.266%

Due to the increasing value of taxable properties, TADL has had Headlee Millage reductions for the past three years and will have another reduction in 2020. Our tax receipts will, of course, increase overall, but the lower millage rate will prevent us from collecting the full voter approved amount.

2. Though we were successful in opting out of the renewed Old Town TIF capture because of the legislation passed in 2016, we are continuing to monitor developing plans of the DDA. There has recently been discussion of extending the duration of TIF97 and expansion of borders without a tax capture component. According to Board policy, we will make every effort to opt out of any captures or expansions to preserve library funding.
3. In February 2019, TADL received a Local Community Stabilization payment of \$36,769 from the state as a result of Personal Property tax legislation.
4. In 2019, the Library was not required to reimburse the county or townships due to Board of Review and Tax Tribunal judgments. However, the possibility of adverse Board of Review and Tax Tribunal rulings remains a threat, and we are keeping a close eye on this issue. The amounts we must reimburse vary tremendously from year to year, ranging from a high of \$49,000 in 2011 to a low of zero in 2019.
5. State Aid receipts increased 9% in 2019, unfortunately we are probably looking at a 50% reduction in 2020 due to the global pandemic. Advocacy efforts by the Michigan Library Association have quite successfully made the case for increased library funding to the legislature, and we hope funding will be prioritized for libraries.
6. Penal fine receipts continued their downward trend in 2019. Fines decreased 3.25% in Grand Traverse County, 14.8% in Leelanau County, and 7.8% in Benzie County in 2019 with receipts totaling \$230,067 for all. We continue to be concerned about Penal Fines as it is our second largest funding source. The amount can vary widely and is also always 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. We have received word that 2019-2020 Penal fine receipts are down because of the pandemic, so we do not expect to receive as much this July when these funds are normally disbursed.
7. Our labor contract with the Teamsters will expire December 31, 2021 after a successful negotiation to extend the current contract in 2019.

**Traverse Area District Library  
Management Discussion and Analysis  
For the year ended December 31, 2019**

8. We continue to contribute extra funds toward our unfunded pension liability for our frozen MERS Defined Benefit plan. MERS actuaries have lowered their projection on investment earnings from 7.75% to 7.35%, and their wage inflation assumption from 3.75% to 3%. These changes will have an effect on future contribution requirements for the library.
9. As noted in previous audit reports, the roof, ventilation and insulation at the Main Library have caused ongoing problems and work continues to develop a realistic solution. We have been working with an architect and construction manager and have settled on a plan to ensure that there is the right kind of ventilation in addition to sealing out heat sources in the attic and insulating where needed. Soffits have been replaced all around the building and new boilers and humidifiers have been installed. We will now monitor the situation, and if the expected results are achieved, a new roof will be installed in late 2020 or 2021.
10. The Main Library celebrated its 20<sup>th</sup> anniversary in January 2019, and after 20 years, the building is starting to need repairs and updating. Because of the need to ensure enough funding for the roof repairs, administration has held off on some projects that will need to be planned for soon but the pandemic has added an extra element of uncertainty to the planning. Chief among these are new carpet, painting and restroom remodeling. We are hoping to have a sign installed on the lawn of the Main Library with some of the funding provided by the Friends of TADL.

**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.



DENNIS, GARTLAND & NIERGARTH  
*Business Advisors Since 1973*

Certified Public Accountants

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 Trina B. Edwards, CPA  
 John A. Blair, CPA  
 James V. Cusenza, CPA  
 Laurie A. Bamberg, CPA

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Trustees  
 Traverse Area District Library  
 Traverse City, Michigan

**Report on the Financial Statements**

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, 2019, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Library's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Board of Trustees  
Traverse Area District Library

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinion***

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 Traverse Area District Library as of December 31, 2019, 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.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through ix and the required supplementary information on page 30 - 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards 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 Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Traverse Area District Library's basic financial statements. The combining non-major fund financial statements and detail schedule of revenue, expenditures and changes in fund balance - budget and actual - general fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Board of Trustees  
Traverse Area District Library

The combining non-major fund financial statements and detail schedule of revenue, expenditures and changes in fund balance - budget and actual - general fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements and detail schedule of revenues, expenditures and change in fund balance - budget and actual - general fund are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2020, 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 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 the Library's internal control over financial reporting and compliance.

*Dennis, Gartland & Niergarth*

June 12, 2020

# Traverse Area District Library

## STATEMENT OF NET POSITION

December 31, 2019

	Governmental Activities
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>ASSETS</b>	
Current assets	
Cash and equivalents	\$ 1,149,822
Investments	2,603,309
Accounts receivable	4,362,699
Prepaid expenses	<u>90,632</u>
Total current assets	8,206,462
Capital assets, net of accumulated depreciation	6,817,606
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources for net pension obligation	<u>21,875</u>
Total assets and deferred outflows of resources	<u><u>\$ 15,045,943</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 109,369
Accrued liabilities	68,695
Current portion of long-term debt	<u>28,446</u>
Total current liabilities	206,510
Long-term debt	239,268
Net pension liability	<u>899,499</u>
Total liabilities	<u>1,345,277</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Taxes levied but intended for subsequent period	4,924,590
Deferred inflows of resources for net pension obligation	<u>225,334</u>
Total deferred inflows of resources	<u>5,149,924</u>
<b>NET POSITION</b>	
Invested in capital assets	6,817,606
Restricted for	
Sight and sound	2,280
Youth services	6,615
Local history collections	4,795
Teen services	5,037
Talking Book Library	5,261
Public improvement	1,483,086
Permanent fund	
Expendable	10,062
Nonspendable	20,000
Unrestricted	<u>196,000</u>
Total net position	<u>8,550,742</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 15,045,943</u></u>

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



## Traverse Area District Library

### STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

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	\$ 4,856,685	\$ 87,430	\$ 250,408	\$ -	\$ (4,518,847)
Depreciation - unallocated	552,088	-	-	-	(552,088)
Total governmental activities	\$ 5,408,773	\$ 87,430	\$ 250,408	\$ -	(5,070,935)
General revenues					
Property taxes					
Levied for general purposes					4,774,201
Levied for debt service					52
Fines and forfeitures					345,362
Investment earnings					110,721
Total general revenues					5,230,336
Change in net position					159,401
Net position, beginning of year					8,391,341
Net position, end of year					\$ 8,550,742

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

# Traverse Area District Library

## GOVERNMENTAL FUNDS - BALANCE SHEETS

December 31, 2019

	General Fund	Public Improvement	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,149,822	\$ -	\$ -	\$ 1,149,822
Investments	1,090,658	1,462,587	29,900	2,583,145
Receivables				
Property taxes	4,350,120	-	-	4,350,120
Interest	4,221	7,818	-	12,039
Accounts	268	-	162	430
Due from other funds	-	105,677	-	105,677
Prepaid expenditures	90,632	-	-	90,632
	<u>\$ 6,685,721</u>	<u>\$ 1,576,082</u>	<u>\$ 30,062</u>	<u>\$ 8,291,865</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 58,360	\$ 51,008	\$ -	\$ 109,368
Accrued liabilities	68,695	-	-	68,695
Due to other funds	211,354	-	-	211,354
	<u>338,409</u>	<u>51,008</u>	<u>-</u>	<u>389,417</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes levied intended for subsequent period	4,924,590	-	-	4,924,590
<b>FUND BALANCE</b>				
Nonspendable	90,632	-	20,000	110,632
Restricted				
Sight and sound	-	2,280	-	2,280
Youth services	-	6,615	-	6,615
Local history collection	-	4,795	-	4,795
Teen services	-	5,037	-	5,037
Talking Book Library	-	5,261	-	5,261
Fund use	-	1,483,086	10,062	1,493,148
Committed				
Children's programming endowment	81,000	-	-	81,000
Employee benefit obligations	325,000	-	-	325,000
Assigned				
Public improvements	-	18,000	-	18,000
Unassigned	926,090	-	-	926,090
	<u>1,422,722</u>	<u>1,525,074</u>	<u>30,062</u>	<u>2,977,858</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 6,685,721</u>	<u>\$ 1,576,082</u>	<u>\$ 30,062</u>	

**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 used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$14,334,707 and the accumulated depreciation is \$(7,517,101).	6,817,606
Internal service funds are used by management to accumulate funds for the purpose of paying retirement obligations. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	125,950
Deferred inflows of resources net of deferred outflows of resources for pension obligations is not a financial resource and, therefore, is not reported in governmental funds.	(203,459)
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	(899,499)
Compensated absences	(267,714)

Total net position - governmental activities	<u>\$ 8,550,742</u>
--	---------------------

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

## Traverse Area District Library

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

Year Ended December 31, 2019

	General Fund	Public Improvement	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 4,774,201	\$ -	\$ -	\$ 4,774,201
State grants	119,138	-	-	119,138
Other grants	14,670	-	-	14,670
Charges for services	87,430	-	-	87,430
Fines and forfeitures	345,362	-	-	345,362
Investment income	51,214	57,399	1,051	109,664
Contributions and other income	<u>116,600</u>	<u>-</u>	<u>52</u>	<u>116,652</u>
Total revenues	<u>5,508,615</u>	<u>57,399</u>	<u>1,103</u>	<u>5,567,117</u>
<b>EXPENDITURES</b>				
Current				
Personnel	3,065,855	-	-	3,065,855
Additional retirement contribution	200,000	-	-	200,000
Supplies and collection additions	771,135	-	-	771,135
Other services and charges	1,240,026	4,075	73	1,244,174
Capital outlay	<u>152,839</u>	<u>525,038</u>	<u>-</u>	<u>677,877</u>
Total expenditures	<u>5,429,855</u>	<u>529,113</u>	<u>73</u>	<u>5,959,041</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>78,760</u>	<u>(471,714)</u>	<u>1,030</u>	<u>(391,924)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	284,919	213,596	-	498,515
Operating transfers out	<u>(319,273)</u>	<u>-</u>	<u>(84,919)</u>	<u>(404,192)</u>
Total other financing sources (uses)	<u>(34,354)</u>	<u>213,596</u>	<u>(84,919)</u>	<u>94,323</u>
<b>NET CHANGE IN FUND BALANCE</b>	44,406	(258,118)	(83,889)	(297,601)
Fund balance, beginning of year	<u>1,378,316</u>	<u>1,783,192</u>	<u>113,951</u>	<u>3,275,459</u>
Fund balance, end of year	<u><u>\$ 1,422,722</u></u>	<u><u>\$ 1,525,074</u></u>	<u><u>\$ 30,062</u></u>	<u><u>\$ 2,977,858</u></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, 2019

**Total net change in fund balance - governmental funds** \$ (297,601)

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

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

Capital outlays	\$1,015,496	
Depreciation expense	<u>(552,088)</u>	463,408

Change in deferred outflows of resources, net of the change in deferred inflows of resources for pension obligations. (704,763)

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 by \$11,936. 11,936

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. (91,866)

Decrease in net pension liability 778,287

**Change in net position of governmental activities** \$ 159,401

**Traverse Area District Library**  
STATEMENT OF NET POSITION - INTERNAL SERVICE FUND  
December 31, 2019

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Investments	\$ 20,164
Due from other funds	105,677
Interest receivable	<u>109</u>
 Total current assets	 <u><u>\$ 125,950</u></u>
 <b>NET POSITION</b>	
Committed for pension liability	 <u><u>\$ 125,950</u></u>

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

## Traverse Area District Library

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

Year Ended December 31, 2019

<b>NONOPERATING REVENUES</b>	
Gain on investments	\$ 1,400
Interest income	<u>1,057</u>
<b>INCOME BEFORE TRANSFERS</b>	<u>2,457</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers from other funds	105,677
Transfers to other funds	<u>(200,000)</u>
Total other financing sources (uses)	<u>(94,323)</u>
<b>CHANGE IN NET POSITION</b>	(91,866)
<b>NET POSITION, beginning of year</b>	<u>217,816</u>
<b>NET POSITION, end of year</b>	<u><u>\$ 125,950</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, 2019

Change in net position	\$ (91,866)
Adjustments to reconcile change in net position	
Change in amounts due from other funds	23,999
Change in interest receivable	<u>293</u>
Net cash from operating activities	<u>(67,574)</u>
Investing activities	
Sale of investments	<u>67,574</u>
Net cash from investing activities	<u>67,574</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.

**Debt Service Fund** - This fund is used to account for the accumulation and disbursement of funds to provide for the debt service on Library debts.

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

### ***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 District Library follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. On or about December 1st, the District Library submits to the general public a proposed operating budget for the fiscal year commencing the following January 1st. 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 31st, the budget is legally enacted through passage of a resolution.
- d. The District 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 attach as an enforceable lien on property on December 1st on the taxable valuation of property as of the preceding December 31st. The property taxes are billed and collected by local units of government within the Library District, which then remit the District 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 2019 ad valorem tax is levied and collectible on December 1, 2019, 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 \$500 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	40 years
Collections-books, DVD's, videotapes, etc.	6 years

## NOTES TO FINANCIAL STATEMENTS - Continued

### ***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:

Property taxes:	
General Fund	<u>\$ 4,924,590</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 obligation.

### ***Compensated Absences***

District Library 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.

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.

## NOTES TO FINANCIAL STATEMENTS - Continued

It is the Board of Trustees intent to utilize the Public Improvement Fund's restricted balance as follows:

Replacements	\$ 498,106
Service improvement	225,000
Sight and sound	2,280
Youth services	6,615
Local history collections	4,795
Teen services	5,037
Talking Book Library	5,261
Undesignated	<u>759,980</u>
Total restricted fund balance	<u>\$ 1,507,074</u>

### ***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 June 12, 2020, the date the financial statements were available to be issued.

### ***Market Losses***

The economy has experienced a significant downturn subsequent to year-end, resulting in market losses on investments. Management is not currently able to determine if these market losses will be other than temporary. Investment fair values could change by significant amounts in the near-term.

NOTES TO FINANCIAL STATEMENTS - Continued

*COVID-19*

The Library believes it understands the risk associated with COVID-19. The Library is in the process of implementing risk mitigation tactics as to the risk of the impact of COVID-19 related to all aspects of the Library's business transactions with patrons and vendors and human interaction within and outside of the Library. The Library closed for a period of time in 2020 related to COVID-19, but digital resources remained available for patron use.

**NOTE B - CASH AND INVESTMENTS**

At December 31, 2019, the Library's cash and investments include the following:

	<u>Balance Sheet Classification</u>		
	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Total	<u>\$ 1,149,822</u>	<u>\$ 2,603,309</u>	<u>\$ 3,753,131</u>

These deposits are in two (2) 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.

*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, \$975,275 of the Library's bank balance of \$1,225,275 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

NOTES TO FINANCIAL STATEMENTS - Continued

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.

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, 2019:

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	6-10	More than 10
Government backed bonds	\$ -	\$ 1,447,467	\$ -	\$ 121,678	\$ 1,321,330	\$ 4,459	\$ -
Treasury bonds	-	791,386	-	-	791,386	-	-
Certificates of deposit	250,925	-	-	250,925	-	-	-
Money market funds	113,531	-	-	113,531	-	-	-
<b>Total</b>	<b>\$ 364,456</b>	<b>\$ 2,238,853</b>	<b>\$ -</b>	<b>\$ 486,134</b>	<b>\$ 2,112,716</b>	<b>\$ 4,459</b>	<b>\$ -</b>

The Library's investments in money market mutual funds and cash equivalents are not required to be classified by fair value.

NOTES TO FINANCIAL STATEMENTS - Continued

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, 2019.

*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.

**NOTE C - INVESTMENT IN CAPITAL ASSETS**

Investment in capital assets changed as follows during the year ended December 31, 2019:

	<u>Beginning</u>	<u>Capital Acquisitions</u>	<u>Sales and Adjustments</u>	<u>Ending</u>
Buildings	\$ 7,727,546	\$ -	\$ -	\$ 7,727,546
Collections	3,416,537	409,589	(295,566)	3,530,560
Furniture and equipment	<u>2,222,228</u>	<u>80,869</u>	<u>(97,079)</u>	<u>2,206,018</u>
Total depreciable assets	<u>13,366,311</u>	<u>490,458</u>	<u>(392,645)</u>	<u>13,464,124</u>
Less accumulated depreciation	<u>(7,357,658)</u>	<u>(552,088)</u>	<u>392,645</u>	<u>(7,517,101)</u>
Land	345,545	-	-	345,545
Construction in progress	<u>-</u>	<u>525,038</u>	<u>-</u>	<u>525,038</u>
Total non-depreciable assets	<u>345,545</u>	<u>525,038</u>	<u>-</u>	<u>870,583</u>
Total capital assets, net	<u>\$ 6,354,198</u>	<u>\$ 463,408</u>	<u>\$ -</u>	<u>\$ 6,817,606</u>

Total depreciation expense for the year ended December 31, 2019, was \$552,088.



NOTES TO FINANCIAL STATEMENTS - Continued

**NOTE D - LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended December 31, 2019:

	<u>Beginning Balance</u>	<u>New Debt</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Compensated absences	\$ 279,650	\$ -	\$ (11,936)	\$ 267,714	\$ 28,446

Compensated absences are liquidated in the general fund.

**NOTE E - INTERFUND TRANSACTIONS**

*Interfund Receivable/Payables*

Interfund receivables/payables consists of the following as of December 31, 2019:

	<u>Receivables</u>	<u>Payables</u>
Major Funds:		
General Fund	\$ -	\$ 211,354
Public Improvement Fund	105,677	-
Internal Service Fund	<u>105,677</u>	<u>-</u>
	<u>\$ 211,354</u>	<u>\$ 211,354</u>

*Operating Transfers*

A summary of operating transfers in and out of individual funds as follows during the year ended December 31, 2019:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 284,919	\$ 319,273
Public Improvement Fund	213,596	-
Debt Service Fund	-	84,919
Internal Service Fund	<u>105,677</u>	<u>200,000</u>
Total	<u>\$ 604,192</u>	<u>\$ 604,192</u>

Transfers were used to move General Fund unrestricted excess revenues to finance various projects in the Public Improvement and Internal Service funds. The Internal Service fund transferred to the General Fund for an additional contribution to the Library's MERS plan.

## NOTES TO FINANCIAL STATEMENTS - Continued

### NOTE F - 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 \$104,163 and \$144,148, respectively. The employee contributions totaled \$203,457 and \$54,614, 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, 2018 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to but not yet receiving benefits	6
Active employees	<u>30</u>
	<u><u>67</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 \$99,528 based on the annual required contribution. The Library contributed \$200,000 in excess of the annual required contribution.

### *Net Pension Liability*

The employer's Net Pension Liability was measured as of December 31, 2018, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of December 31, 2018.

### *Actuarial Assumptions*

The total pension liability in the December 31, 2018 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary increases: 3.75% in the long-term.

Investment rate of return: 7.75%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3% - 4%.

NOTES TO FINANCIAL STATEMENTS - Continued

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2008-2013.

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	55.5 %	4.08 %
Global fixed income	18.5 %	0.70 %
Real assets	13.5 %	1.31 %
Diversifying strategies	12.5 %	0.94 %

***Discount Rate***

The discount rate used to measure the total pension liability is 8.0% for 2018. 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 Asset*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
	(a)	(b)	(a)-(b)
<b>Balances at December 31, 2018</b>	<u>\$ 7,217,397</u>	<u>\$ 5,539,611</u>	<u>\$ 1,677,786</u>
Changes for the year			
Service cost	1,515	-	1,515
Interest on total pension liability	559,529	-	559,529
Changes in benefits	-	-	-
Difference between expected and actual experience	(271,179)	-	(271,179)
Employer contributions	-	299,528	(299,528)
Net investment income	-	749,972	(749,972)
Benefit payments, including employee refunds	(448,086)	(448,086)	-
Administrative expense	-	(12,930)	12,930
Other changes	<u>(31,582)</u>	<u>-</u>	<u>(31,582)</u>
Net changes	<u>(189,803)</u>	<u>588,484</u>	<u>(778,287)</u>
<b>Balances as of December 31, 2019</b>	<u><u>\$ 7,027,594</u></u>	<u><u>\$ 6,128,095</u></u>	<u><u>\$ 899,499</u></u>

*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 8.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (7.00%) or 1% higher (9.00%) than the current rate.

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net pension liability	\$ 1,581,537	\$ 899,499	\$ 318,975

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, 2019, the Library recognized pension expense of \$226,004. 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	\$ -	\$ (225,334)
Difference in assumptions	-	-
Excess (deficit) investment returns	<u>21,875</u>	<u>-</u>
Total	<u>\$ 21,875</u>	<u>\$ (225,334)</u>

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

<u>Years Ended</u>	
2020	\$ (140,831)
2021	(77,261)
2022	77,285
2023	<u>(62,652)</u>
	<u>\$ (203,459)</u>

**NOTE G - OPERATING LEASES**

The Library leases equipment from a financial institution under a five year operating lease expiring in August 2023. The total rent expense was \$22,909 for the year ended December 31, 2019.

The minimum annual payments under this lease are as follows:

<u>Years Ended</u>	
2020	\$ 22,909
2021	22,909
2022	22,909
2023	<u>15,273</u>
	<u>\$ 84,000</u>

## NOTES TO FINANCIAL STATEMENTS - Continued

### **NOTE H - 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 I - 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 October 20, 2016 through December 31, 2019, which has been extended through December 31, 2021.

**REQUIRED SUPPLEMENTARY INFORMATION**



**Traverse Area District Library**

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

For the years ended December 31:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>					
Service cost	\$ 1,515	\$ 1,950	\$ 199,446	\$ 215,673	\$ 197,882
Interest	559,529	554,612	668,004	603,264	574,593
Changes in benefit terms	-	-	(1,603,158)	-	-
Difference between expected and actual experience	(271,179)	(30,107)	(117,979)	242,089	-
Changes in assumption	-	-	-	450,014	-
Benefit payments, including employee refunds	(448,086)	(451,825)	(431,735)	(429,433)	(389,185)
Other	<u>(31,582)</u>	<u>(14,823)</u>	<u>(23,177)</u>	<u>(34,593)</u>	<u>(24,527)</u>
Net change in total pension liability	(189,803)	59,807	(1,308,599)	1,047,014	358,763
Total pension liability, beginning	<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>\$ 7,027,594</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	\$ 299,528	\$ 299,372	\$ 299,900	\$ 654,923	\$ 265,502
Contributions - employee	-	-	(123)	68,879	83,538
Net investment income	749,972	(231,447)	707,090	555,932	(70,448)
Benefit payments, including employee refunds	(448,086)	(451,825)	(431,735)	(429,433)	(389,185)
Administrative expense	<u>(12,930)</u>	<u>(11,492)</u>	<u>(11,182)</u>	<u>(10,910)</u>	<u>(10,244)</u>
Net change in plan fiduciary net position	588,484	(395,392)	563,950	839,391	(120,837)
Plan fiduciary net position, beginning	<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>\$ 6,128,095</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>\$ 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	87 %	77 %	83 %	63 %	61 %
Covered employee payroll	<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	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**

For the years ended December 31,

	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ 99,528	\$ 99,372	\$ 99,777	\$ 304,734	\$ 265,502
Contribution in relation to the actuarially determined contributions	<u>299,528</u>	<u>299,372</u>	<u>299,777</u>	<u>679,734</u>	<u>265,502</u>
Contribution excess	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 375,000</u>	<u>\$ -</u>
Covered employee payroll	<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	21 %	18 %	17 %	38 %	16 %

**Notes to Schedule**

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years
Asset valuation method	5 year smoothed
Inflation	2.5%
Salary increases	3.75%
Investment rate of return	7.75%
Retirement age	Varies depending on plan adoption
Mortality	50% female/ 50% male RP-2014 Group Annuity Mortality Table

**Previous actuarial methods and assumptions:**

A seven year smoothed asset valuation method was used for the time period of 2012 through 2018. Salary increases were expected to be 1% for the time period of 2015 through 2023.

## Traverse Area District Library

### BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND

Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		Actual (GAAP Basis)	<u>Variances - Positive</u>	
				<u>(Negative)</u>	
	<u>Original</u>	<u>Final</u>		<u>Original to Final</u>	<u>Final to Actual Total</u>
<b>REVENUES</b>					
Property taxes	\$ 4,786,000	\$ 4,786,000	\$ 4,774,201	\$ -	\$ (11,799)
State grants	113,075	113,075	119,138	-	6,063
Other grants	10,000	10,000	14,670	-	4,670
Charges for services	81,000	81,000	87,430	-	6,430
Fines and forfeitures	365,000	365,000	345,362	-	(19,638)
Interest income	15,000	15,000	51,214	-	36,214
Contributions and other income	49,500	130,500	116,600	81,000	(13,900)
<b>Total revenues</b>	<b>5,419,575</b>	<b>5,500,575</b>	<b>5,508,615</b>	<b>81,000</b>	<b>8,040</b>
<b>EXPENDITURES</b>					
Current					
Personnel	3,192,500	3,377,500	3,265,855	(185,000)	111,645
Supplies	727,890	778,890	771,135	(51,000)	7,755
Other services and charges	1,379,785	1,353,785	1,240,026	26,000	113,759
Capital outlay	119,400	167,400	152,839	(48,000)	14,561
<b>Total expenditures</b>	<b>5,419,575</b>	<b>5,677,575</b>	<b>5,429,855</b>	<b>(258,000)</b>	<b>247,720</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(177,000)</b>	<b>78,760</b>	<b>(177,000)</b>	<b>255,760</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	-	200,000	284,919	200,000	84,919
Operating transfers out	-	(319,273)	(319,273)	(319,273)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(119,273)</b>	<b>(34,354)</b>	<b>(119,273)</b>	<b>84,919</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>(296,273)</b>	<b>44,406</b>	<b>(296,273)</b>	<b>340,679</b>
Fund balance, beginning of year	1,378,316	1,378,316	1,378,316	-	-
Fund balance, end of year	<u>\$ 1,378,316</u>	<u>\$ 1,082,043</u>	<u>\$ 1,422,722</u>	<u>\$ (296,273)</u>	<u>\$ 340,679</u>

**OTHER SUPPLEMENTARY INFORMATION**

## Traverse Area District Library

### DETAIL SCHEDULE OF REVENUE, EXPENSE AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

Year Ended December 31, 2019

	Budgeted Amounts		Actual (GAAP Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual Total
	<b>REVENUES</b>				
Property taxes	\$ 4,786,000	\$ 4,786,000	\$ 4,774,201	\$ -	\$ (11,799)
State grants	113,075	113,075	119,138	-	6,063
Other grants	10,000	10,000	14,670	-	4,670
Charges for services	81,000	81,000	87,430	-	6,430
Fines and forfeitures	365,000	365,000	345,362	-	(19,638)
Interest income	15,000	15,000	51,214	-	36,214
Contributions and other income	49,500	130,500	116,600	81,000	(13,900)
<b>Total revenues</b>	<b>5,419,575</b>	<b>5,500,575</b>	<b>5,508,615</b>	<b>81,000</b>	<b>8,040</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
<b>Personnel</b>					
Salaries and wages	2,380,150	2,365,150	2,302,683	15,000	62,467
Payroll taxes	63,800	63,800	64,046	-	(246)
Medical insurance	359,450	359,450	328,839	-	30,611
Life insurance	8,100	8,100	7,749	-	351
Retirement contributions	365,425	565,425	547,839	(200,000)	17,586
Workers' Compensation insurance	5,700	5,700	7,357	-	(1,657)
Unemployment insurance	1,000	1,000	-	-	1,000
Disability insurance	8,875	8,875	7,342	-	1,533
<b>Total personnel</b>	<b>3,192,500</b>	<b>3,377,500</b>	<b>3,265,855</b>	<b>(185,000)</b>	<b>111,645</b>
<b>Supplies</b>					
Office supplies	135,625	135,625	134,072	-	1,553
Operating supplies	585,565	631,565	627,989	(46,000)	3,576
Repair and maintenance	6,700	11,700	9,074	(5,000)	2,626
<b>Total supplies</b>	<b>727,890</b>	<b>778,890</b>	<b>771,135</b>	<b>(51,000)</b>	<b>7,755</b>
<b>Other services and charges</b>					
Contract services	253,685	253,685	230,952	-	22,733
Communication	20,450	20,450	17,489	-	2,961
Education and travel	46,735	46,735	31,192	-	15,543
Printing and publishing	38,450	38,450	33,311	-	5,139
Insurance and bonds	29,360	33,360	29,889	(4,000)	3,471
Public utilities	117,300	117,300	100,180	-	17,120
Repair and maintenance	328,200	298,200	258,205	30,000	39,995
Aid to other units	535,605	535,605	535,605	-	-
Miscellaneous	10,000	10,000	3,203	-	6,797
<b>Total other services and charges</b>	<b>1,379,785</b>	<b>1,353,785</b>	<b>1,240,026</b>	<b>26,000</b>	<b>113,759</b>
<b>Capital Outlay</b>	119,400	167,400	152,839	(48,000)	14,561
<b>Total expenditures</b>	<b>5,419,575</b>	<b>5,677,575</b>	<b>5,429,855</b>	<b>(258,000)</b>	<b>247,720</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	(177,000)	78,760	(177,000)	255,760
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	-	200,000	284,919	200,000	84,919
Operating transfers out	-	(319,273)	(319,273)	(319,273)	-
<b>NET CHANGE IN FUND BALANCE</b>	-	(296,273)	44,406	(296,273)	340,679
Fund balance, beginning of year	1,378,316	1,378,316	1,378,316	-	-
Fund balance, end of year	<u>\$ 1,378,316</u>	<u>\$ 1,082,043</u>	<u>\$ 1,422,722</u>	<u>\$ (296,273)</u>	<u>\$ 340,679</u>

# Traverse Area District Library

## NON-MAJOR GOVERNMENTAL FUNDS - COMBINING BALANCE SHEET

December 31, 2019

	<u>Permanent Fund</u>	<u>Debt Service</u>	<u>Total Other Non-Major Funds</u>
<b>ASSETS</b>			
Investments	\$ 29,900	\$ -	\$ 29,900
Accounts receivable	<u>162</u>	<u>-</u>	<u>162</u>
Total assets	<u><u>\$ 30,062</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 30,062</u></u>
<b>FUND BALANCES</b>			
Nonspendable	\$ 20,000	\$ -	\$ 20,000
Restricted	<u>10,062</u>	<u>-</u>	<u>10,062</u>
Total fund balances	<u><u>\$ 30,062</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 30,062</u></u>

## Traverse Area District Library

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

Year Ended December 31, 2019

	Permanent Fund	Debt Service	Total Other Non-Major Funds
<b>REVENUES</b>			
Intergovernmental revenues	\$ -	\$ 52	\$ 52
Interest income	<u>1,051</u>	<u>-</u>	<u>1,051</u>
Total revenues	1,051	52	1,103
<b>EXPENDITURES</b>			
Other	<u>73</u>	<u>-</u>	<u>73</u>
<b>REVENUES OVER EXPENDITURES</b>			
	978	52	1,030
<b>OTHER FINANCING SOURCES</b>			
Operating transfers out	-	(84,919)	(84,919)
Fund balance, beginning of year	<u>29,084</u>	<u>84,867</u>	<u>113,951</u>
Fund balance, end of year	<u><u>\$ 30,062</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 30,062</u></u>



DENNIS, GARTLAND & NIERGARTH  
Business Advisors Since 1973

Certified Public Accountants

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James M. Taylor, CPA  
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John A. Blair, CPA  
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Laurie A. Bamberg, CPA

**INDEPENDENT AUDITORS' 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, 2019, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 12, 2020.

***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 2019-001 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.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Library's financial statements are free of 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 and other matters that are required to be reported under *Government Auditing Standards*.

Board of Trustees  
Traverse Area District Library

**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 on compliance. Accordingly, this communication is not suitable for any other purpose.

*Dennis, Gartland & Niergarth*

June 12, 2020



DENNIS, GARTLAND & NIERGARTH  
*Business Advisors Since 1973*

Certified Public Accountants

Thomas E. Gartland, Retired  
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**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, 2019. 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 20, 2020. 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 test 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 June 12, 2020.

The following additional matter is not considered to be a material weakness or significant deficiency in internal control, but is an opportunity to improve the Library's internal control procedures:

*Approval of Journal Entries*

During our audit, we noted journal entries did not have approval by a member of management that is separate from the entry postings. We recommend the adoption of a policy whereby all journal entries will be approved by a member of management that does not have access to posting journal entries. All entries should be initialed by the preparer and the individual approving them in order to document approval by the appropriate individuals. Additionally, we recommend all journal entries be accompanied by a description and adequate supporting data.

*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. No new accounting policies were adopted and 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.

We evaluated the key factors and assumptions used to develop the estimates in determining that it is 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 corrected adjustments of the financial statements. There were no uncorrected misstatements.

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

- Adjust General Fund taxes receivable and deferred taxes to actual (increase of approximately \$267,000).
- Record transfer of General Fund balance to Public Improvement and Internal Service Funds (approximately \$211,000).
- Accrue retainage payable for roof project to Public Improvement Fund and related construction in progress asset (approximately \$51,000).

### ***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 June 12, 2020.

### ***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.

*Leases*

Governmental Accounting Standards Board Statement No. 87, *Leases*, will be effective for reporting periods beginning after June 15, 2021. This standard establishes revised standards on lease accounting and financial reporting requiring all capital and operating leases be recorded on the government-wide and proprietary fund statements as a right-to-use asset and offsetting lease liability. The standard does not apply to short-term leases under a year in length.

*New Auditor Reporting Standards*

In May 2019, the AICPA Auditing Standards Board issued Statement on Auditing Standards (SAS) No. 134, *Auditing Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*. The standard will significantly alter the content and layout of the auditor's report. SAS No. 134 will place the auditor's opinion at the front of the report to highlight the auditor's opinion and the responsibilities of both entity management and auditors. Additionally, the standard addresses the auditor's responsibility to communicate key audit matters (KAMs) in the auditor's report, when the auditor is engaged to do so. However, the communication of KAMs is not mandated. The standard is effective for periods ending on or after December 15, 2021.

*Other Matters*

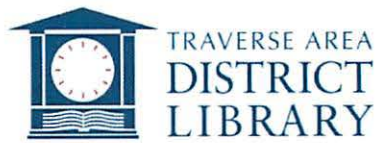
We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's 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.

We were engaged to report on the supplementary information, which accompanies the financial statements but is not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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.

*Dennis, Gartland & Niergarth*

June 12, 2020



## **COVID-19**

# **Exposure Prevention, Preparedness and Response Plan**

**June 1, 2020**

## **WELCOME BACK!**

The Traverse Area District Library (TADL) takes the health and safety of employees very seriously and will remain vigilant in efforts to mitigate workplace exposure to the COVID-19 virus. This plan was developed in accordance with Governor Whitmer's Executive Orders 2020-96 and 2020-97, the U.S. Department of Labor Occupational Safety and Health Administration (OSHA) Guidance on Preparing Workplaces for COVID-19 (OSHA 3390-03-2020), Michigan Occupational Safety and Health Administration (MIOSHA) and recommendations of the Centers for Disease Control (CDC) and the Grand Traverse County Health Department. It is also acknowledged that the COVID-19 Pandemic is an evolving situation as more is learned about the virus. As a result, these guidelines are subject to change and modification pursuant to legal requirements. The provisions of this "Exposure Prevention, Preparedness and Response Plan" (the "Plan") shall apply to all employees. The Plan will remain in effect until rescinded by the Library Director.

Coronavirus Disease 2019 (COVID-19) is a respiratory disease caused by the Sars-CoV2 virus. It is considered highly contagious. To mitigate the impact of COVID-19, provisions have been put in place to reduce exposure to employees and citizens. It is important to understand how COVID-19 spreads. The virus is thought to spread mainly from person to person including:

- Between people who are in close contact with one another (within about six (6) feet);
- Through respiratory droplets produced when an infected person coughs or sneezes;
- It may also be possible to contract COVID-19 by touching a surface or object that has COVID-19 on it and then touching your mouth, nose, or eyes.

**Reporting Sickness or Unsafe Work Conditions:**

Employees should familiarize themselves with the symptoms for COVID-19 for self-monitoring purposes. Any employee experiencing COVID-19 symptoms should immediately inform the Workplace Coordinator and go home. The Centers for Disease Control and Prevention (“CDC”) describes symptoms for COVID-19 to include (“Symptoms”):

- Fever over 100.4 F or chills
- Cough
- Shortness of breath or difficulty breathing
- Fatigue
- Muscle or body aches
- Headache
- New loss of taste or smell
- Sore throat
- Congestion or runny nose
- Nausea or vomiting
- Diarrhea

All employees will report any sickness, violations of this plan, or any unsafe work conditions to the Workplace Coordinator, Deb Radjenovich, Human Resources Manager at [dradjenovich@tadl.org](mailto:dradjenovich@tadl.org) or 231-231-932-8549.

**Reintroduction of Employees and the Public into TADL Facilities:**

The Library Director shall determine when employees return to the worksite and when TADL facilities are reopened to the public. It is anticipated that the return to work and public access to TADL facilities will be achieved in stages based on State and Federal mandates, and the ability to achieve social distancing requirements and to keep staff and patrons safe.

Prior to employees returning to work, any necessary measures to reduce risk exposure shall be implemented by TADL. Prior to commencing work for the first time, employees returning to work, shall clean and sanitize all work areas. Employees will be trained in and advised of mandatory social distancing practices, use of personal protection equipment, and other measures implemented to reduce risk exposure. These measures may include staggered start times or shifts, staggered breaks and lunches, possible continuation of remote work arrangements, and other strategies to limit the number of employees working together and to reduce congestion and the effectiveness of screening.



Before allowing access to the public, all TADL facilities shall implement the following measures:

- Post signage with social distancing requirements and directions including the requirement to wear masks.
- Provide social distancing markings at counters and service areas, including visible six-foot floor markings.
- Installation of barriers at counters and service areas.

Once a facility is reopened to the public, face masks will be required to enter as long as social distancing measures are required. In addition, at the Library Director's discretion, the following measures may also be required:

- Limiting/regulating the number of visitors permitted to enter. The number of individuals permitted to enter could change periodically based upon the incidents of COVID-19 in the community and on changes in recommended practices.

*This Exposure Prevention, Preparedness and Response Plan will be provided to all employees via e-mail prior to returning to work and will be available on the COVID 19 page of the employee intranet. Any questions regarding any provisions of the plan should be directed to a supervisor, Human Resources or the Library Director.*

**Dedicated Entry Points for Employees:** Dedicated entry points for all employees are as follows:

Woodmere: Staff Entrance | East Bay: Front Entrance | Kingsley: Staff Entrance

Additionally, visual indicators of appropriate spacing for employees outside the building will be provided in case of congestion at the dedicated entry points.

**Responsibilities of Department Heads and Supervisors:** It is the responsibility of department heads and supervisors to: be knowledgeable of TADL's COVID-19 Exposure Prevention, Preparedness and Response Plan; implement the Plan within their departments; be aware of the specific risk level of employees based on their job responsibilities and implement measures to mitigate that risk; monitor and report on the plan; and be available to answer questions and concerns from employees. It is further expected that department heads and supervisors shall set a good example and follow this Plan at all times. This includes practicing good personal hygiene and job site safety practices to prevent the spread of the virus. Department heads and supervisors must remain on site at all times while employees are present unless an on-site employee is designated to perform the supervisory role.

**Responsibilities of Employees:** It is a condition of employment for all employees to comply with the requirements of TADL's COVID-19 Exposure Prevention, Preparedness and Response Plan. As set out in this Plan, TADL has instituted housekeeping, social distancing, and personal protection equipment

requirements, and other best practices to reduce exposure to COVID-19. Employees are required to comply with the following provisions:

- Remain home if sick and notify their supervisor accordingly. Employees exhibiting signs of illness will be sent home. Employees who cannot leave immediately will be quarantined in Study Room A.
- Report to their department head or supervisor if they are experiencing any signs or Symptoms of COVID-19 or if a member of their household has been diagnosed with COVID-19.
- Employees must practice good hygiene which includes frequently washing hands with soap and water for at least 20 seconds. When soap and water is not available, employees should use an alcohol-based hand sanitizer with at least 60% alcohol content.
- Avoid touching your eyes, nose, and mouth with unwashed hands.
- Follow appropriate respiratory etiquette which includes covering your nose and mouth with a tissue or the inside of your elbow when you cough or sneeze. Throw used tissues in the trash and immediately wash hands with soap and water for at least 20 seconds. If soap and water are not available, use hand sanitizer containing at least 60% alcohol.
- Follow the social distancing and personal protection equipment guidelines contained in this Plan.
- Regularly clean and maintain personal protective equipment provided to employees by TADL.
- Regularly clean and sanitize work areas, tools, and equipment as provided for in this Plan at least 2 times per day.

**Workplace Protective Measures:** The following measures shall be implemented at all worksites and adhered to by all employees.

- The Library has a COVID-19 screening process which includes temperature checks, questions regarding any Symptoms that employees are experiencing, and questions regarding potential contact with any persons diagnosed with COVID-19. Please check your temperature at home before you leave.
- All employees must fill out the Health Screening Survey available on the employee intranet or on the forms provided at the staff entrance before commencing their workday as required by Executive Order and the Grand Traverse Health Department Order.
- Any employee showing Symptoms of COVID-19 or who answer any of the question on the Health Screening Survey in the affirmative will be asked to leave the workplace.
- Employees with Symptoms of COVID-19 will not be allowed to return until “Symptom Free,” which is defined as:
  - At least 3 days (72 hours) have passed since “recovery” defined as resolution of fever without the use of fever-reducing medications and improvement in respiratory symptoms (e.g., cough, shortness of breath); **and**
  - At least 10 days have passed since Symptoms first appeared**OR**

Using a Test-based strategy. Exclude from work until:

- Resolution of fever without the use of fever-reducing medications and
- Improvement in respiratory symptoms (e.g., cough, shortness of breath), and
- Negative results of an FDA Emergency Use Authorized COVID-19 molecular assay for detection of SARS-CoV-2 RNA from at least two consecutive respiratory specimens collected  $\geq 24$  hours apart (total of two negative specimens).
- Employees who have been exposed to an infected person shall not be allowed to return until 14 days have passed from the employees' last contact with the infected person and the employee is Symptom Free.
- Employees with a confirmed COVID-19 case shall work with the Workplace Coordinator to provide the names of other persons the employee came into contact with in the work site during the 14 days prior to the employee's leaving the work site.
- Whenever possible, Library business shall be conducted electronically via e-mail, phone or through meeting platforms such as Zoom.
  - If an in-person meeting is required, participants must observe the guidelines for On-Site Meetings as set forth in this Plan.
- Employees must avoid physical contact with others and shall direct others, including co-workers, patrons, and contractors, to maintain social distancing standards where possible.
- Employees shall not use the breakroom. All on site snacks and lunches must be eaten in the work area or outside the library building.
- To the extent possible, sharing of tools and equipment shall be prohibited. If sharing is necessary, the tools and equipment should be cleaned with alcohol-based wipes before and after each use. Employees should consult with manufacturing recommendations for the proper cleaning techniques and restrictions.
- Whenever possible, occupancy of vehicles and equipment shall be limited to one employee. If this is not possible, all occupants of the vehicle or equipment shall be required to wear face masks and should minimize time together in the vehicle.
- Employees shall be required to wear face masks in public spaces and in areas where social distancing is not possible. For purposes of this policy, public spaces shall mean any area in which the public or other employees have frequent access or any space in which social distancing cannot be achieved. These include but are not limited to bathrooms, hallways, stacks, elevators and breakroom. Social distancing shall be defined as maintaining a distance of at least six (6) feet between parties. Private single person offices and staff-only work areas are not considered public spaces unless other individuals enter the office and social distancing cannot be achieved.

#### **Employee Illness or Exposure to COVID-19:**

- **Illness:** Employees that are ill are required to stay home and seek appropriate medical attention. Said employees must notify their supervisor as soon as possible of the illness via phone, text message or e-mail. **Employees reporting to work ill shall be sent home.** Employees who cannot leave immediately will be quarantined in Study Room A.

- **Compensation:** During the pandemic event, employees that become ill with COVID-19 will be compensated for their regular wages/shifts for the first fourteen (14) calendar days. If their illness extends beyond the initial fourteen (14) calendar days, full-time and regular part-time bargaining unit employees shall use accumulated paid leave time, followed by Reserved Sick Leave, if available, and any applicable short-term disability benefits. Once all leave time benefits are exhausted, the employee may take unpaid leave with benefits, in accordance with the applicable collective bargaining agreement. Before returning to work, employees with COVID-19 must be Symptom Free as defined in this Plan.
- **Notification of Exposure:** TADL will notify employees of any known exposure to COVID-19. The name of the person with a suspected or confirmed case of COVID-19 shall be kept confidential. Employees are required to comply with any quarantine recommendations after being exposed to COVID-19.
- **Exposure and Quarantine:** Employees that have been exposed to an infected or quarantined individual and are advised by their medical provider to stay home and self-quarantine, shall be compensated. During the quarantine period, TADL will compensate all employees for their regular wages/shifts for the first fourteen (14) calendar days of the quarantine. If the quarantine extends beyond fourteen (14) calendar days, the full-time and regular part-time bargaining unit employee shall use accumulated paid leave time and if available. Before returning to work after a quarantine, employees may be required to obtain and present clearance to return to work by a medical provider.

**Social Distancing:** Social distancing shall be observed at all TADL facilities until otherwise determined by the County, State, or Federal government. Social distancing requires that each employee:

- maintain a distance of at least six (6) feet from other people;
- do not gather in groups;
- stay in assigned work area and within individual workspaces as much as possible except when entering/leaving the building, using restrooms, kitchens, or to complete a job task;
- whenever possible, refrain from traveling through the work areas of other employees;
- no attending or hosting of in-person meetings.

**Employees Required to Enter Non-TADL Facilities:** Employees required to enter into buildings and/or homes as part of their regular work day should evaluate specific hazards and exposures and determine if it is safe to proceed. Employees shall use their discretion and can refuse to enter the premises if they have concerns regarding the condition of the premises or the occupants. Employees entering said premises may ask the occupants about their potential exposure to COVID-19 and require that social distancing requirements be observed. If possible, the employee should ask the occupant to exit the premises in order to complete the work or complete a risk assessment of the condition of the premises and the occupants. Employees entering premises shall be required to wear the appropriate face masks, gloves, and other PPE as required by their position.

**Personal Protective Equipment and Work Practice Controls:** To mitigate the exposure risk to COVID-19, TADL will provide the following personal protective equipment (“PPE”). The specifications of this equipment shall be determined by the nature of the job performed.

- **Gloves:** The type of glove to be worn will be determined by the nature of the tasks to be performed. If gloves are not typically required for a task, then any type of glove is acceptable, including latex or vinyl gloves. Employees shall not share gloves.
- **Face Masks:** All employees will be provided with reusable, washable face masks. Employees shall be required to wear face masks in public spaces and in areas where social distancing is not possible. Employees with medical or religious exemptions to wearing a mask, will be required to wear a face shield. Employees who must enter non-public spaces such as a private office or work space of other employees will be required to wear face masks. For purposes of this policy, public spaces shall mean any area in which the public has frequent access or any space in which social distancing cannot be achieved. Social distancing shall be defined as maintaining a distance of at least six (6) feet between parties. Private offices and work areas are not considered public spaces unless other individuals enter the office and social distancing cannot be achieved. In recognition of the global nature of the COVID-19 pandemic and the significant number of infections and loss of life experienced in Michigan and across the United States: Employees who are found not wearing a face mask in a public space will be verbally counseled by a supervisor in the first instance; thereafter, employees found not wearing a face mask in a public space will be subject to further discipline in accordance with the applicable collective bargaining agreement and/or employee manual.

**Workplace Modifications:** All work sites must be evaluated to determine risk exposure and modifications that should be implemented to mitigate this risk. These modifications may include but are not limited to:

- installation of barriers/sneeze guards at customer service counters
- removal of all publications, information, fliers, etc. in public areas;
- removal of furniture;
- closure of drinking fountains;
- installation of signage to direct the public on social distancing requirements, hand sanitizing stations, etc.
- restructuring of work areas, work shifts, and/or work tasks to ensure social distancing measures are possible.

**Workplace Cleaning and Disinfecting:** All TADL facilities, including common areas, will be properly cleaned and sanitized prior to reintroducing staff to the facility. All offices will be provided with cleaning and sanitizing products to use to fulfill employee responsibilities as described below.

All common areas will be cleaned and sanitized on a regular basis at: 11am, 1pm, 3pm, 5pm, and 7pm, utilizing products identified by OSHA and the CDC as effective for eliminating COVID-19. Common areas include, but are not limited to, the following:

- doors
- doorknobs, push bars, handles, and panels
- light switches
- stair rails
- drinking fountains
- restrooms
- conference rooms including tables and chairs
- Plexiglas barriers/sneeze guards
- Countertops
- Shared office equipment such as copiers

**Employee Cleaning and Sanitizing Responsibilities:** Employees shall be responsible for cleaning and sanitizing their personal work areas as per the following:

- Clean personal work spaces on a regular basis of two times per day. Specifically, the following surface areas should be cleaned at least once daily and more frequently if shared:
  - phone
  - computer keyboard and mouse
  - desk surface and drawers
  - chairs
  - For employees with their own offices: light switches, doors, and door handles.
- Avoid using other employees' supplies, equipment, phones, etc. If it is necessary to share equipment, clean before and after each use.
- Clean common areas after each use. For example, wipe down counter after servicing a customer, tables and chairs in conference rooms, etc.
- When using the copy machine, wipe down before and after each use.
- Please use the bathroom on your floor of the building and consistently use the same bathroom to reduce the number of individuals using the same bathroom, which reduces risk of exposure.
- Do not use employee refrigerators or microwaves.
- Do not use any items or utensils from the breakroom.
- Do not provide communal food and beverages and refrain from sharing serving utensils.

**Cleaning and Disinfecting when Employee or Patron is Symptomatic:** If an employee has developed Symptoms of COVID-19, the areas used by the employee must be cleaned and disinfected prior to being used again. Access to the area(s) should be closed off until the disinfecting has been completed. Clean and disinfect all areas used by the symptomatic person including offices, restrooms, common areas, shared electronic equipment, etc. A professional cleaning service will be used to execute this cleaning

and disinfecting. Depending on the circumstances and risk, some or all employees may need to be sent home temporarily to accommodate the cleaning and disinfection or the Library or portions of the Library may need to be closed temporarily.

**On-site Meetings:** Whenever possible, TADL business shall be conducted via e-mail, phone and electronic meeting platforms. When on-site meetings are required, social distancing measures shall be strictly enforced. The number of persons allowed at an onsite meeting shall be determined by State social distancing measures in effect at the time of the meeting. Meeting sites shall be cleaned and sanitized before and after the meeting and hand sanitizer shall be made available to all in attendance.

**Offsite Meetings and Business Travel:** Unless specifically authorized by the Library Director, no off-site meetings or business travel shall be allowed while this Plan is required. When offsite meetings and business travel are deemed necessary, the employee shall observe social distancing measures.

**Signature Page and Additional Resources and Information Follow**

# Face Mask



**Covid-19 Carrier**



**Contagion Probability  
%70**



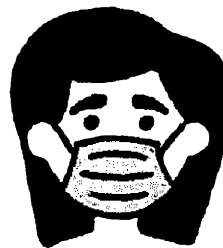
**Covid-19 Carrier**



**Contagion Probability  
%5**



**Covid-19 Carrier**



**Contagion Probability  
%1.5**

**WEAR IT**





## HOW TO WEAR A FACE COVERING

### *Recommendations for the General Public*

[Michigan.gov/Coronavirus](https://Michigan.gov/Coronavirus)

The first respirator was certified in the United States one hundred years ago and requirements for respiratory protection in healthcare were made mandatory in the 1990s (CDC, 2019). A lot of information is available about using respirators and masks in healthcare and the workplace in safe and effective ways.

There is not as much information about cloth face coverings, and there is a wide variety in the styles and materials. Because of this, there aren't standard recommendation available, but we can use what we know about medical masks and respirators to guide how to use cloth face coverings in the safest and most effective way.

Cloth face coverings do not prevent illness in those who wear them like medical masks do (MacIntyre, et al, 2015). Wearing a cloth face covering is hoped to protect those around you in case you are infected. A cloth face covering should be worn whenever people are in a community setting, especially when you may be near people, like in grocery stores and pharmacies. It is not a substitute for social distancing. Cloth face coverings should be able to be laundered and machine dried without damage or change to shape (CDC, 2020).

#### **How to wear a face covering appropriately (CDC, 2020):**

- Clean your hands with soap and water or alcohol-based hand sanitizer before putting on your face covering.
- Put the face covering over your nose and mouth and secure it under your chin. Cloth face coverings should fit snugly but comfortably against the side of your face, secured with ties or ear loops.
- Make sure you can breathe easily without restriction when wearing the face covering.
- Avoid touching the face covering while wearing, and if you do, clean your hands.
- When removing a face covering, handle only by the ties or ear loops, and fold outside corners together to avoid touching the front of the covering.
- Clean your hands with soap and water or alcohol-based hand sanitizer after removing and handling your face covering.

Cloth face coverings should not be placed on children younger than 2 years of age, anyone who has trouble breathing, or is unconscious, incapacitated or otherwise unable to remove the cover without assistance.

While safe for most people, it is possible that wearing a face covering could interfere with your (Johnson, 2016):

1. Breathing
2. Vision
3. Ability to communicate clearly
4. Self-care
5. Ability to regulate your temperature
6. Overall feelings of well-being

**Below are some suggestions that may be helpful if you are having any of these problems:**

### **1. Breathing**

The cloth face covering may cause you to rebreathe some of the carbon dioxide you have breathed out, which may cause your breathing rate to increase. If the face covering is too tight or too thick, and causes too much resistance, it may cause breathing to slow down. These changes in breathing may cause you to get lightheaded or not feel well. You may not be able to do as much or work as hard when you are wearing a face covering (Johnson, 2016).

People with allergies, runny nose, asthma, or COPD may not be able to tolerate breathing in a face covering well or for as long. Face coverings made with too many layers of cloth, tightly woven cloth, or cloth that has gotten wet from saliva or mucus are often hard to breathe through.

#### **Suggestions:**

- Take breaks from your face covering
  - If you are getting episodes of lightheadedness or shortness of breath, make sure to take breaks throughout the day. Go to a private bathroom stall, go outside, go to your car, or somewhere else where you are away from others and remove your face covering for a little while. Remove the face covering by ear straps/ties, wash your hands with soap and water or use an alcohol-based hand sanitizer after removing.
- Make sure the face covering is not too tight and the material is not too thick.
- Change face coverings if it gets wet or damp.
- If you have a health condition that makes wearing a face covering difficult, you do not have to wear one. Try to limit trips and if you do have to go out, social distance to the best of your ability.
- You do not have to wear a face covering if you are exercising or working outside as long as you can maintain social distancing.

## 2. Vision

Using a poorly placed face covering can cause vision to become obstructed. Glasses or goggles can become fogged up, especially in cold weather or when going from hot weather to an air-conditioned building or vehicle.

### Suggestions:

- It is not recommended that you wear a face covering while driving due to these potential hazards.
- To stop glasses from fogging, wash glasses in soapy water and let them air dry. You can also rub a dab of shaving cream into the inside of the lenses. When they are dry, use a clean dry cloth to buff off any extra. The soap or shaving cream residue will prevent fog from forming.

## 3. Ability to communicate clearly

A covering over the mouth can make it difficult for others to understand what we are saying because words are muffled and visual cues are blocked. This is worse with short or one-word statements because there isn't context to help others figure out what we are trying to say.

Face coverings also make it harder for the hard of hearing and hearing impaired to understand what you are saying.

### Suggestions:

- Be sure to face the person you are talking to and speak in clear, complete sentences.
- Consider coming up with hand signals to use for common questions and answers.
- If you are talking to someone with hearing impairments make sure there is as little background noise as possible, talk slowly and clearly, and consider using a face covering with a clear front so your mouth movements can help with communication.
  - Instructions for making a clear face covering can be found at:
    - How to Make An Accessible, Deaf-Friendly Face Mask  
<https://www.hsdcc.org/wp-content/uploads/2020/04/HSDC-Instructions-for-Clear-Window-Masks.pdf>
    - Communicator Face Mask  
<https://www.9and10news.com/content/uploads/2020/04/Communicator-Face-Mask.pdf>

## 4. Self-care

Wearing a face covering makes it difficult to eat, drink, scratch your nose, blow your nose, and so on.

### Suggestions:

- It is important to take breaks to safely take care of these needs during the day.

## 5. Ability to regulate your temperature

Using a face covering in hot temperatures can cause you to feel uncomfortable and may cause you to overheat faster. Sweat and wetness may soak into the cloth face covering, and this makes it harder to breathe through the face covering as well, making it less effective.

### Suggestions:

- Take extra breaks during hot weather, focusing on hydration and cooling down.
- Pay close attention for signs of heat illness.
- Change face coverings if yours gets wet or damp.

## 6. Overall feelings of well-being

It is not uncommon to feel some irritation or discomfort from your face covering. For some, it is much worse, and wearing a face covering can cause anxiety or feelings of claustrophobia.

### Suggestions:

- If you are worried or nervous about wearing a face covering, start by wearing it loosely for very short periods of time around the house.
  - If this isn't possible, wear it around your neck or chin until that is tolerable before putting it over your mouth.
- Gradually increase the time until you feel comfortable wearing it outside your home. Make sure you get a face covering you like that feels comfortable.

### Other Considerations:

Some experts worry that wearing a face covering or mask may cause people to touch their faces more often as they fit and adjust it. While this hasn't been proven, be aware of this possibility and avoid touching your face and face covering.

Exhaled air may be forced up into your eyes while you are wearing a face covering which might irritate your eyes. If you notice this happening, use over-the-counter lubricating eye drops but wash hands prior to use.

Dirty face coverings could be a source of germs and infection. Your face covering should be washed and dried routinely depending on the frequency of use. Use a bag or bin to store cloth face coverings until they can be laundered. Use the appropriate washer and dryer settings and detergents for the materials your face covering is made of. The cloth face covering should be washed right away if you were around someone with COVID-19 or if the covering is visibly dirty. If you must re-wear your cloth face covering before washing, wash your hands immediately after putting it back on and avoid touching your face. Over time, washing and drying your cloth face covering will decrease its ability to filter out particles from your breath (Neupane, et al, 2019). Consider replacing your cloth face covering after four or five washes.

In addition, discard cloth face coverings that:

- No longer cover the nose and mouth
- Have stretched out or damaged ties or straps
- Cannot stay on the face
- Have holes or tears in the fabric

## References

- The Centers for Disease Control and Prevention (CDC). (2019). The National Personal Protective Technology Laboratory (NPPTL). 100 Years of Respiratory Protection History. <https://www.cdc.gov/niosh/npptl/Respiratory-Protection-history.html>
- MacIntyre CR, Seale H, Dung TC, et al. A cluster randomised trial of cloth masks compared with medical masks in healthcare workers. *BMJ Open* 2015;5: e006577. doi:10.1136/bmjopen-2014-006577
- The Centers for Disease Control and Prevention (CDC). (2020). Use of Cloth Face Coverings to Help Slow the Spread of COVID-19. <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/diy-cloth-face-coverings.html>
- Johnson, A. T. (2016). Respirator masks protect health but impact performance: a review.
- Neupane, B. B., Mainali, S., Sharma, A., & Giri, B. (2019). Optical microscopic study of surface morphology and filtering efficiency of face masks. *PeerJ*, 7, e7142.

# BETTER HEALTH IS IN OUR HANDS.

Diseases like coronavirus, the flu and Hepatitis A can be dangerous. To stop the spread of germs and keep yourself and loved ones healthy, remember to:



**Wash your hands  
often using soap  
and warm water**

**Cover your  
mouth and nose  
when you cough**



**Sneeze into a  
tissue and wash your  
hands afterward**



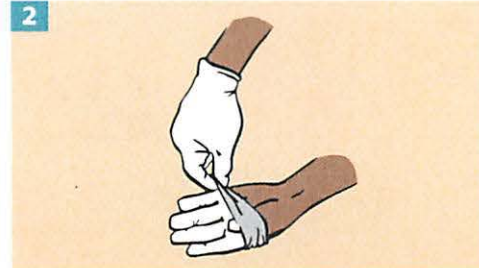
It's our job to practice better hygiene. Start today.

# How to Remove Gloves

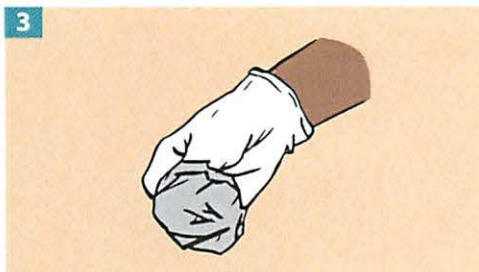
To protect yourself, use the following steps to take off gloves



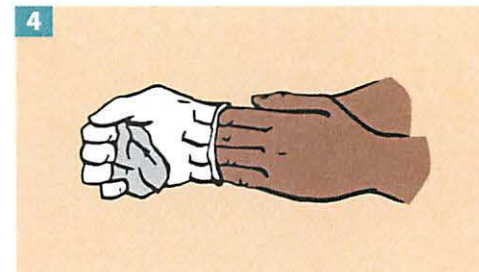
1 Grasp the outside of one glove at the wrist. Do not touch your bare skin.



2 Peel the glove away from your body, pulling it inside out.



3 Hold the glove you just removed in your gloved hand.



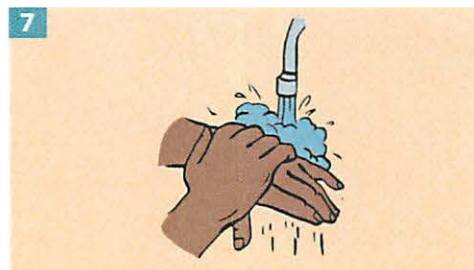
4 Peel off the second glove by putting your fingers inside the glove at the top of your wrist.



5 Turn the second glove inside out while pulling it away from your body, leaving the first glove inside the second.



6 Dispose of the gloves safely. Do not reuse the gloves.



7 Clean your hands immediately after removing gloves.



**Signature page for:**

**COVID-19**

**Exposure Prevention, Preparedness and Response Plan**

**June 1, 2020**

I certify that I have read this Plan, that I have been afforded the opportunity to ask questions about the Plan to members of TADL management, and that I understand the information and directives in the Plan:

Employee Printed Name: \_\_\_\_\_

Employee Signature: \_\_\_\_\_

Date of Signature: \_\_\_\_\_



### 4.1 Behavior Policy

The Mission of the Traverse Area District Library is to provide dynamic resources and innovative services to stimulate intellectual curiosity, facilitate lifelong learning, promote literacy, and nurture personal enrichment. The Traverse Area District Library Board has authority to establish and enforce reasonable regulations for the benefit of patrons of the Library, in keeping with its mission. The Library Director and his or her representatives shall be responsible for enforcing this policy.

In observance of its mission and to make Library facilities and services available to everyone on a safe and equitable basis, to ensure the ability of staff members to conduct Library business and to safeguard Library property against misuse or abuse, the following rules for behavior are established by the Traverse Area District Library Board. These rules apply to TADL facilities in Traverse City, the Village of Kingsley and East Bay Township.

In determining the number of violations for purposes of withholding Library privileges as set forth in this Policy, only the number of violations a person has per each Category shall be used. Past violations in any Category are removed if a patron has no violations within any Category for two (2) years from the date the patron’s library privileges were restored as a result of the patron’s last violation. All suspensions shall begin on the date of incident.

**Category A. For Public Safety and Security, the Traverse Area District Library prohibits:**

1. Stealing or vandalizing on Library property;
2. Using, possessing, giving away or selling alcohol, marijuana or any illegal substance on Library property;
3. Improper use or abuse of Library materials or equipment;
4. Engaging in sexual acts or behaviors or indecent exposure;
5. Harassment, intimidation or threat of any person by word or act;
6. Fighting or provoking fighting or engaging in any act of violence;
7. Unlawful possession of a weapon.

**Persons who violate the above rules for safety and security are subject to the withholding of Library privileges as follows:**

- |  |  |
|--|--|
| <b><u>First Category A violation:</u></b>      | Library privileges are suspended for six months; police will be called if necessary. |
| <b><u>Second Category A violation:</u></b>     | Library privileges are suspended for one year; police will be called immediately.    |
| <b><u>Subsequent Category A violation:</u></b> | Library privileges suspended for one year; police will be called immediately.        |

**Category B. To ensure proper use of Library Facilities, the Traverse Area District Library prohibits:**

1. Being under the obvious influence of alcohol, marijuana or any illegal substance on Library property;
2. Profane, obscene, injurious or abusive language;
3. Noisy or boisterous conduct inappropriate to the Library location;

4. Cell phone conversations in areas designated as “quiet” areas, or overly loud conversations in any area of the library;
5. Animals unless involved in a Library-approved event or service animals as defined in 28 CFR 36.104;
6. Failing to wear shirt, pants, and/or shoes;
7. Personal hygiene or body odor so offensive as to constitute a nuisance to other persons;
8. Sleeping in the Library;
9. Petitioning, canvassing (e.g., seeking signatures on a petition), conducting surveys, distributing written material, or soliciting donations, selling merchandise, or otherwise raising funds anywhere on Library property, unless approved in advance by TADL;
10. Violation of the Library internet policy;
11. Entering areas designated “private” or “staff only” unless approved by TADL staff;
12. Refusing to leave the Library at closing time;
13. Beverages in the Library unless secured in a container with a lid, or in designated areas;
14. Food inside the Library, except in designated areas;
15. Any violation of the Smoke and Tobacco Free Campus Policy;
16. Restrooms used for washing clothes, shaving or bathing (simply washing one’s hands and face is not considered “bathing”);
17. Unattended personal property unrelated to Library purposes;
18. Use of skateboards, roller blades, or other similar items inside the Library or on Library property;
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|  | Paragraphs 1-2 Library privileges suspended for seven (7) days; |
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**For all suspected violations**

8. Police will be called if the Library believes a crime has been committed.
9. Police will be called when a violator refuses to comply with Library rules.
10. Police will be called if violator refuses to show identification.
11. Police will be called if a patron suspended under this policy appears on Library property.
12. Violators may be photographed by Library personnel.
13. If patrons return while under suspension, that suspension shall be increased to the next violation level.

**Right to Appeal and Appeals Process**

1. The right to appeal is based on the right to due process of law guaranteed in the 14th Amendment of the U.S. Constitution and the right of access to public libraries guaranteed to all citizens in the Michigan Constitution (Art. VIII, Sec. 9).
2. If the Library has an address on record or the suspended patron provides an address, the Library Director shall provide written notice to any individual whose Library privileges have been suspended within five (5)

business days of the date of the violation, and shall include a copy of this policy with the notice. If the Library does not have an address on record and the patron refuses or fails to provide an address, verbal notice on the day of the violation shall be sufficient notice of the suspension, and the patron shall be hand-delivered a copy of this policy.

3. An individual who wishes to appeal a suspension must do so in writing to the Library Board within 10 days of the postmark of the Director’s letter or the date of the verbal notice if no letter is sent. The notification of appeal must provide current contact information (address and phone number) and state the grounds upon which the appeal is based.
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5. The Board President will ensure the Appellant receives reasonable notice of the hearing.
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12. The decision of the Board is final.
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The Library shall post this entire policy in at least two prominent areas in the Main Library building and in each branch Library building.

Adopted July 15, 2004; Revision Adopted October 14, 2010; Revised January 20, 2011; Revised February 16, 2012; Revised July 18, 2013; Revised June 20, 2019; Revised September 19, 2019; Revised February 20, 2020; Revised June 18, 2020

Motion by: Mathewson

Supported by: Sullivan

Adopted:  Y  N

Date: 6-18-2020

  
Stephanie Mathewson, Board Secretary

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

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

Adopted: Y N

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

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Stephanie Mathewson, Board Secretary