

NOTICE

Milwaukee County  
Federated Library System  
Board of Trustees

Monday, August 15<sup>th</sup>, 2022

3:30 P.M.

*This meeting will be held:*

*In person in the*

MCFLS Conference Room  
709 North 8<sup>th</sup> Street  
Milwaukee, WI 53233

AND

*Online at*

Meeting URL: [CLICK HERE](#)  
Meeting ID: 813 4318 4710  
Meeting Passcode: kXwd1Vf5  
Telephone Passcode: 47496039

AGENDA

1. Call to order
2. Introduction and welcome to new MCFLS Trustee Erika Siemsen
3. Adoption of agenda  
Action
4. Approval of minutes: the MCFLS Board of Trustees meeting on July 18<sup>th</sup>, 2022  
Action [Attachment A](#)
5. Public comment

*Please note: Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through sign language interpreters or other auxiliary aides.*

### MCFLS Standing Committee Reports

#### 6. Library Directors Advisory Council

- a. Report of the August 4<sup>th</sup>, 2022 meeting

Action

[Attachment B](#)

#### 7. MCFLS Finance and Personnel Committee

- a. MCFLS 2021 Audit

- i. Audit presentation made by Wendi Unger of Baker Tilly
  - ii. Recommendation to accept and approve the MCFLS 2021 audit

Action

[Attachment C](#)

- b. Recommendation to approve the 2022 MCFLS Budget revision as presented.

Action

[Attachment D](#)

- c. Recommendation to approve changes to the existing delivery contract.

Action

[Attachment E](#)

- d. Recommendation to approve changes to the MCFLS Employment Handbook

Action

[Attachment F](#)

#### 8. MCFLS Legislative and System Services

### Administrative reports requiring action

- 9. Financial Report – July 2022

Action

[Attachment G](#)

### Administrative Informational Items

- 10. New CountyCat Mobile App update

[Attachment H](#)

- 11. Director's Report

[Attachment I](#)

Next meeting date: Scheduled for Monday, September 12<sup>th</sup> at 3:30 pm via Zoom and in person at the MCFLS Offices.

Milwaukee County Federated Library System  
Board of Trustees  
Regular Monthly Meeting held Monday, July 18<sup>th</sup>, 2022  
Zoom and in person Meeting

ROLL CALL

Present: Paul Ziehler, President  
Steven Shea, Vice President  
Guy Johnson, Trustee  
Howard Snyder, Trustee

Excused: Monica Deluhery, Trustee  
Elizabeth Suelzer, Trustee

Staff: Steve Hesel, Director  
Judy Kaniasty, Business Manager  
Brittney Hornung, Business Manager  
Jen Schmidt, Library Systems Administrator

Others: Joan Johnson, Milwaukee Public Library

CALL TO ORDER. President Ziehler called the regularly scheduled monthly meeting of the Milwaukee County Federated Library System Board of Trustees to order at 3:34 p.m.

ADOPTION OF AGENDA. President Ziehler referred to the agenda. Trustee Snyder moved and Trustee Johnson seconded a motion to adopt the agenda as distributed. Unanimously approved.

APPROVAL OF MINUTES. President Ziehler referred to the minutes of the June 20<sup>th</sup>, 2022 shown as the Attachment A of the agenda packet. Being no corrections noted, Vice President Shea moved and Trustee Johnson seconded the motion to approve the minutes as presented. Unanimously approved.

PUBLIC COMMENT. None.

MCFLS STANDING COMMITTEE REPORTS.

Library Directors Advisory Council. No meeting held in July 2022 therefore no report was given.

MCFLS Finance and Personnel Committee

No meeting held since last MCFLS Board Meeting.

The next meeting is scheduled to take place August 11<sup>th</sup>, 2022 beginning at 1:00 p.m.

MCFLS Legislative and System Services

No meeting since last MCFLS Board Meeting therefore no report was given.

ADMINISTRATIVE REPORTS REQUIRING ACTION.

Financial Report- June, 2022 Director Hesper referred to the June 30<sup>th</sup>, 2022 financial report which is shown as Attachment B of the agenda packet and noted he had nothing out of the ordinary to report. Director Hesper did note the Mid-Year Budget Revision will be presented at the August 11<sup>th</sup>, 2022 Finance and Personnel Committee meeting. Trustee Guy moved and Vice President Shea seconded a motion to accept the June 2022 Financial Report as presented. Unanimously approved.

Discussion: Changes to MCFLS Board meetings for remainder of 2022 Director Hesper recommended a change to the scheduled Board meetings to accommodate personal travel plans. Schedule changes noted in Attachment C of the agenda packet; move October 10<sup>th</sup>, 2022 Board of Trustees Meeting to October 3<sup>rd</sup>, 2022 and move September 19<sup>th</sup>, 2022 Board of Trustees Meeting to September 12<sup>th</sup>, 2022. Meetings will be held via Zoom. Trustee Johnson moved and Vice President Shea seconded a motion to accept these schedule changes. Unanimously approved.

ADMINISTRATIVE INFORMATION ITEMS.

County response to inquiry on interest deficit issue Director Hesper referred to Attachment D from the agenda packet and noted he is still hopeful for contact from the County Treasury Department. Discussion ensued about the interest lost and whether to pursue the issue further with the county and find more secure investment options. Trustee Johnson cautioned the board about timing the market, which is unpredictable. President Ziehler commented he was not aware the county could invest in the stock market. Perhaps the Finance and Personnel Committee can discuss this topic at their next meeting.

2023 County Budget Request and Racial Equity Budget Tool responses Director Hesper reviewed the Annual County Budget request, which was required to be submitted before the deadline of July 15<sup>th</sup>, 2022. Two Equity projects were reviewed in Attachment E of the agenda packet. Financial support of \$50,000 was submitted for the purchase of DEI electronic book/audiobook titles for all County residents and Crisis Prevention Training was also submitted as a possible project.

[Vice President Shea left the meeting at 4:00 p.m.]

2021/2022 MCFLS Technology Report Director Hesper highlighted the valuable technology services we provide to our member libraries. President Ziehler encouraged all to read through Attachment F of the agenda packet.

Wisconsin Trustee Training Week 2022 Director Hesper reported that the Annual Wisconsin Trustee Training will take place August 22<sup>nd</sup>- 26<sup>th</sup>, 2022 as a webinar during the lunch hour from 12:00pm – 1:00pm. Registration can be completed through the link provided: <https://www.wistrusteetraining.com/>. A reminder will be sent out by MCFLS Library Systems Administrator Jen Schmidt prior to the training session.

Director's Report Director Hesper reviewed his report shown as Attachment G of the agenda packet. President Ziehler asks for introductions of Trustees to the new Business Manager. President Ziehler inquired as to the new MCFLS Board Treasurer selection to replace Nik Kovac. Director Hesper inquired as to whether the appointment had passed through the Parks Committee and County Board of Supervisors to be confirmed. Director Hesper will follow up on the appointment of the MCFLS Board Treasurer.

NEXT MEETING. Scheduled for Monday August 15<sup>th</sup>, 2022 and 3:30 p.m. and it is hoped that a hybrid meeting can be arranged allowing in-person attendance as well as Zoom online meeting software.

ADJOURNMENT. With no further business to be addressed, President Ziehler ended the meeting at 4:18 p.m.



## ST. FRANCIS PUBLIC LIBRARY

*"Bringing People, Information, and Ideas Together"*

4230 S. Nicholson Ave.  
St. Francis, WI 53235  
(414) 481-7323  
[www.stfrancislibrary.org](http://www.stfrancislibrary.org)

To: MCFLS Board of Trustees  
From: Amy Krahn, St. Francis Public Library  
RE: Summary of LDAC meeting, August 4<sup>th</sup>, 2022  
Location: Zoom Teleconference

**Introductions:** We welcomed Jen Gerber, the new Director at Shorewood, and Brittney Hornung, the new Business Manager for MCFLS.

### **Topics for Action or Discussion**

- 1) Updates related to COVID: no major changes. A few libraries require them for staff.
- 2) Substitute staff pool follow up: Approximately 10 individuals have signed up to serve as potential substitutes for librarians or circulation staff in the event of a long-term absence or sudden employee departure. Most are former or current employees from member libraries. MCFLS is only serving as the maintainer of the list. It is up to individual libraries to vet the prospective substitutes before hiring. LDAC members now have access to the list.
- 3) LDAC Guideline changes: Steve Hesel, Brian VanKlooster, and Sheila O'Brien worked to update the guidelines for LDAC. There were no major changes other than adding information regarding virtual meetings. The changes were approved by LDAC.
- 4) October LDAC meeting date: Due to a conflict with vacation, Steve Hesel has asked that the meeting date be changed. He will poll members regarding a possible new date of September 29.
- 5) Comparison of Owning/Home report and SQL report for reciprocal borrowing: After much discussion, a vote to approve the change failed. There were concerns about determining accuracy in the future and the financial impact on libraries. Steve Hesel will bring back more information prior to another vote.

### **Technology**

- 1) CollectionHQ evaluation: Steve presented some data on usage of this collection development product by member libraries. His conclusion is that member libraries get sufficient usage to merit renewing the subscription. Milwaukee asked him to look into pricing for the ESP module, which assists with purchasing predictions and suggestions. Steve will bring all the pricing information back to LDAC.
- 2) New CountyCat Mobile App: Jennifer gave an update on the functionality of the app and features that may still be made available in the future. Before the meeting she provided a handout with the cost comparison to our old vendor and the new features that we are now able to provide. One of those features is self-check using a patron's mobile device. As a side note, St. Francis doesn't have self-check, so we have enabled this feature and are providing "stations" where patrons can put down their books, scan them with their own device, and unlock any media cases.

- 3) 2023 Hoopla cost projections: Steve provided information about current and projected future use of this service. Member costs are based on usage. Based only on what member libraries are paying (not including the funding provided by MCFLS), members are paying \$0.92/circ.
- 4) InfoPass update: The revised service will go live on August 15<sup>th</sup>. Currently, 19 libraries have agreed to participate in this program, which provides patrons access to items in local libraries that are not part of our system – typically, academic and special libraries.

### **Informational**

- 1) LDAC Share Point site: LDAC has begun using Share Point, a Microsoft 365 program, to share documents. This will provide easy access to forms and spreadsheets, and allow gathering of data in shared documents.
- 2) Marketing update: Deb Marett provided an update on recent marketing efforts. She is currently working on a promotion of Brainfuse, targeting the back to school population for the HelpNow tutoring and study aids tools. She will be distributing bookmarks and flyers and conducting a social media campaign. Some of the print materials are also available in Spanish. Deb will present usage data in October to evaluate the effectiveness of the campaign.

### **Additional Agenda Items**

- 1) Worker Connection Program, DWD: MCFLS has been meeting regularly with the DWD and other groups about collaborating on connecting patrons to employment related services. Four member libraries currently have someone coming in with information tables on a monthly basis. This new program would allow one-on-one assistance in a library meeting space. It would be a drop-in program. Details are still be worked out, but the DWD is hoping more libraries will start participating in this program.

### **Member Library Updates**

- 1) Hales Corners has an upcoming referendum dealing with building maintenance. Their director was asking for input from any directors who may have gone through a similar process.
- 2) Whitefish Bay is seeking wage adjustments for their employees. In a recent wage comparison, their wages were the lowest in our system in almost all categories. They are hoping to work with the Village on a plan to address this.



# Reporting and insights from the 2021 audit:

## Milwaukee County Federated Library System

December 31, 2021



---

## Executive summary

August 15, 2022

To the Board of Trustees  
Milwaukee County Federated Library System

We have completed our audit of the financial statements of the Milwaukee County Federated Library System (the System) for the year ended December 31, 2021, and have issued our report thereon dated August 15, 2022. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your System's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

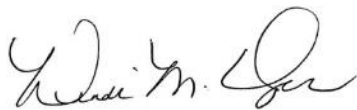
Additionally, we have included information on key risk areas Milwaukee County Federated Library System should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Wendi Unger, CPA, Partner: [wendi.unger@bakertilly.com](mailto:wendi.unger@bakertilly.com) or +1 (414) 777 5423

Sincerely,

Baker Tilly US, LLP



Wendi M. Unger, CPA, Partner

---

# Responsibilities

## Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the System's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the Board of Trustees:
  - Are free from material misstatement
  - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by *Government Auditing Standards*.
- Our audit does not relieve management or the Board of Trustees of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the Board of Trustees, including:

- Internal control matters
- Qualitative aspects of the System's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report and key audit matters
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

---

# Audit status

## Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

# Audit approach and results

## Planned scope and timing

### Audit focus

Based on our understanding of the System and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the System's current year results.

## Key areas of focus and significant findings

### Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

## Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	Financial reporting and required disclosures
Capital assets including infrastructure	Net position calculations	

## Internal control matters

We considered the System's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the System's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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 combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We identified the following deficiencies as material weaknesses:

### – Inadequate segregation of duties

A properly designed system of internal control includes adequate staffing as well as policies and procedures to properly segregate duties. This includes systems that are designed to limit the access or control of any one individual to your government's assets or accounting records, and to achieve a higher likelihood that errors or irregularities in your accounting processes would be discovered by your staff in a timely manner.

At this time, due to staffing and financial limitations, the proper internal controls are not in place to achieve adequate segregation of duties. As a result, errors, irregularities or fraud could occur as part of the financial reporting process that may not be discovered by someone in your organization. Therefore, we are reporting a material weakness related to the internal control environment.

### – Missing key controls

There are certain controls that are not currently in place related to significant transaction cycles. As a result, there is a risk that erroneous or unauthorized transactions or misstatements could occur without the knowledge of management or the governing body. Our recommendations for strengthening controls are listed below.

Controls over payroll

- Persons preparing the payroll should be independent of other personnel duties or restricted from access to the payroll account.
- Year-end accrued payroll is recorded to ensure proper cutoff between fiscal year, but this calculation should be reviewed and approved by an appropriate supervisor.

Controls over monthly and year-end accounting

- Adjusting journal entries and supporting documentation should be reviewed and approved by an appropriate person who is not the original preparer. In addition, we would recommend that all journal entries, when entered into the system, be printed, appropriate support attached, and approval be obtained. These journal entries should be kept by month in a folder or binder.
- Account reconciliations prepared throughout the year should be performed by someone independent of processing transactions in the account.

Since the controls listed above or other compensating controls are not currently in place, errors or irregularities could occur as part of the accounting processes that might not be discovered by management or the governing body. Therefore, the absence of these controls is considered to be a material weakness.

We recommend that a designated employee review the segregation of duties, risks, and these potential controls and determine whether additional controls should be implemented. This determination should take into consideration a cost / benefit analysis.

- **Financial statement close process**

Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and annual financial reports.

Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

- There is adequate staffing to prepare financial reports throughout the year and at year-end.
- Material misstatements are identified and corrected during the normal course of duties.
- Complete and accurate financial statements, including footnotes, are prepared.
- Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered material weakness surrounding the preparation of financial statements and footnotes, adjusting journal entries identified by the auditors, and an independent review of financial reports.

Management has not prepared financial statements that are in conformity with generally accepted accounting principles. In addition, material misstatements in the general ledger were identified during the financial audit.

## Required communications

### Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by the System are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2021. We noted no transactions entered into by the System during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value 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, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Accrued compensated absences	Evaluation of hours earned and accumulated in accordance with employment policies and average wage per hour rates	Reasonable in relation to the financial statements as a whole
Net pension asset and related deferrals	Evaluation of information provided by the Wisconsin Retirement System (modify as necessary)	Reasonable in relation to the financial statements as a whole
Net/Total OPEB liability and related deferrals	Key assumptions set by management with the assistance of a third party actuary	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

### Financial statement disclosures

- The disclosures in the financial statements are neutral, consistent, and clear.

### Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the System or that otherwise appear to be unusual due to their timing, size or nature.

### Significant difficulties encountered during the audit

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

### Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial and to communicate accumulated misstatements to management. Management is in agreement with the misstatements we have identified, and they have been corrected in the financial statements. The schedule below summarizes the material corrected misstatements, that, in our judgment, may not have been detected except through our auditing procedures. The internal control matters section of this report describes the effects on the financial reporting process indicated by the corrected misstatements, other than those that we consider to be of a lesser magnitude than significant deficiencies and material weaknesses.

Description	Opinion Unit	Amount
To properly record Accounts Receivable and Deferred Revenue	General Fund	\$ 334,335

The remaining misstatements that were identified and corrected by management were not material individually or in the aggregate to the financial statements taken as a whole.

### Audit report

There have been no departures from the auditors' standard report.

### Audit consultations outside the engagement team

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

### Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

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 System's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



### **Management's consultations with other accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

### **Written communications between management and Baker Tilly**

The Appendix includes copies of other material written communications, including a copy of the management representation letter.

### **Compliance with laws and regulations**

We did not identify any non-compliance with laws and regulations during our audit.

### **Fraud**

We did not identify any known or suspected fraud during our audit.

### **Going concern**

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the System's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the financial statements are issued or available to be issued, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

### **Independence**

We are not aware of any relationships between Baker Tilly and the System that, in our professional judgment, may reasonably be thought to bear on our independence.

### **Related parties**

We did not have any significant findings or issues arise during the audit in connection with the System's related parties.

## 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.

## Nonattest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation
- Adjusting journal entries

In addition, we prepared GASB No. 34 conversion entries which are summarized in the "Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position" and the "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities" in the financial statements.

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

---

## Board of Trustees resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

Visit the resource page at <https://www.bakertilly.com/insights/audit-committee-resource-page>.

---

## Management representation letter



709 North Eighth Street  
Milwaukee, WI 53233

PH: 414-286-3210  
FAX: 414-286-3209

August 15, 2022

Baker Tilly US, LLP  
777 E. Wisconsin Avenue  
32nd Floor  
Milwaukee, WI 53202

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the Milwaukee County Federated Library System as of December 31, 2021 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Milwaukee County Federated Library System and the respective changes in financial position, where applicable, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

#### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government and all component units required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, if any, are reasonable.

- 6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 7) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 8) All known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.
- 9) We are not aware of any known actual, possible, pending, or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with accounting principles generally accepted in the United States of America, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 10) Guarantees, whether written or oral, under which the System is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) We have not completed an assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.



- 15) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) There are no known related parties or related party relationships and transactions of which we are aware.

**Other**

- 17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) We have a process to track the status of audit findings and recommendations.
- 19) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for our report.
- 20) The System has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 22) There are no:
  - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
  - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
  - c) Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.
  - d) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
  - e) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.

- 23) In regards to the nonattest services performed by you listed below, we have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.
- a) Financial statement preparation
  - b) Adjusting journal entries
- None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.
- 24) The Milwaukee County Federated Library System has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 25) The Milwaukee County Federated Library System has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 26) The financial statements properly classify all funds and activities.
- 27) All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 28) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- 29) The Milwaukee County Federated Library System has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
- 30) Provisions for uncollectible receivables, if any, have been properly identified and recorded.
- 31) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 32) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 33) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 34) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 35) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.



- 36) We have appropriately disclosed the Milwaukee County Federated Library System's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.
- 37) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 38) We assume responsibility for, and agree with, the findings of specialists in evaluating the OPEB liability, deferred outflows and deferred inflows relate to the OPEB and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
- 39) We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.
- 40) We assume responsibility for, and agree with the information provided by the Department of Employee Trust Funds for the Local Retiree Life Insurance program as audited by the Legislative Audit Bureau relating to the net OPEB liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.
- 41) The auditing standards define an annual report as "a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the entity's financial results and financial position as set out in the financial statements." Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditor's report thereon. We do not prepare an annual report.

Sincerely,

Milwaukee County Federated Library System

Signed: Steven E. Hearn

Signed: Judy Kanasty

Signed: Nick

---

## Client service team



**Wendi Unger, CPA**

**Partner**

777 East Wisconsin Avenue, 32<sup>nd</sup> Floor  
Milwaukee, Wisconsin 53202  
United States

**T +1 (414) 777 5423**

[wendi.unger@bakertilly.com](mailto:wendi.unger@bakertilly.com)

# Accounting changes relevant to Milwaukee County Federated Library System

## Future accounting standards update

GASB Statement Number	Description	Potentially Impacts you	Effective Date
87	Leases	✓	12/31/22*
91	Conduit Debt	✓	12/31/22*
92	Omnibus 2021	✓	12/31/22*
93	Replacement of Interfund Bank Offered Rates	✓	12/31/22*
94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements	✓	12/31/23
96	Subscription-Based Information Technology Arrangements	✓	12/31/23
97	Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans	✓	12/31/22

\*The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years. The effective date reflected above is the required revised implementation date.

Further information on upcoming [GASB pronouncements](#).

## Ready or not – the new lease standard is here!

GASB's new single model for lease accounting is effective for next year's audit (fiscal years ending June 30, 2022 and later). This standard requires governments to identify and evaluate contracts that convey control of the right to use another entity's nonfinancial asset for a period of time in an exchange or exchange-like transaction. Contracts meeting the criteria for control, term and other items within the standard will result in recognizing a right to use asset and lease liability or a receivable and deferred inflow of resources. The standard specifies that leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or, if applied to earlier periods, the beginning of the earliest period restated).

The implementation process can be broken down into a four-step methodology:



Now is the time to evaluate where your government is in this process and the timeline to complete implementation. The third step for lease evaluation, data extraction and review is typically the most time-consuming step; organizations should begin this process well before year end to ensure adequate lead time. A key decision that will need to be made is whether a lease administration software package is necessary. Depending on the volume and complexity of your lease activity, spreadsheets may not be sufficient to track and calculate all the required information.

We are available to discuss this further and help you develop an action plan. Baker Tilly also has complimentary resources available online including:

- GASB 87 lease identification questionnaire
- GASB 87 lease assistance tool
- Variety of GASB 87 podcasts and articles

Access tools and learn more about [GASB 87](#).

### **Future accounting for subscription-based IT arrangements**

Subscription-based IT arrangements include contracts that convey control of the right to use another party's IT software. It would not include any licensing arrangements that provide a perpetual license, which would still be accounted for as an intangible asset. Subscription-based IT arrangements are becoming more and more popular with IT vendors. This standard mirrors the new lease standard. The System will be able to utilize the systems put into place to implement the lease standard to properly account for these contracts. Common examples of these contracts in the utility industry include:

- Leasing space in the cloud
- GIS systems
- SCADA systems
- Some work order or inventory systems as well as some general ledger or billing systems

The System should work with its IT department and department managers to determine a population listing of contracts that would fall under this standard to determine the potential future impact to financial reporting.

---

## Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
  - Identify types of potential misstatements.
  - Consider factors that affect the risks of material misstatement.
  - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs. For audits performed in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*,

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance and, (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- e. Have you had any significant communications with regulators or grantor agencies?
- f. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of October-December, and sometimes early in January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means or wish to provide other feedback. We welcome the opportunity to hear from you.

# **Milwaukee County Federated Library System**

Financial Statements and  
Supplementary Information

December 31, 2021

Table of Contents  
December 31, 2021

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Required Supplementary Information</b>	
Management's Discussion and Analysis	4
<b>Basic Financial Statements</b>	
System-Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet - Governmental Funds	11
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Notes to Financial Statements	14
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	35
Schedule of Changes in the Total OPEB Liability and Related Ratios	36
Schedule of Proportionate Share of the Net Pension Liability (Asset) and Schedule of Employer Contributions - Wisconsin Retirement System	37
Schedule of Proportionate Share of the Net OPEB Liability and Schedule of Employer Contributions - Local Retiree Life Insurance Fund (LRLIF)	38
Notes to Required Supplementary Information	39
<b>Other Auditors' Reports</b>	
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 <i>Government Auditing Standards</i>	40
Schedule of Findings and Responses	42



## **INDEPENDENT AUDITORS' REPORT**

## **Independent Auditors' Report**

To the Board of Trustees of  
Milwaukee County Federated Library System

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and major fund of the Milwaukee County Federated Library System, Wisconsin, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Milwaukee County Federated Library System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Milwaukee County Federated Library System, Wisconsin, as of December 31, 2021 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

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

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

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

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July XX, 2022 on our consideration of the Milwaukee County Federated Library System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Milwaukee County Federated Library System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Milwaukee County Federated Library System's internal control over financial reporting and compliance.

Milwaukee, Wisconsin  
July XX, 2022

## MILWAUKEE COUNTY FEDERATED LIBRARY SYSTEM

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the Milwaukee County Federated Library System (the System) financial performance provides an overview of the System's financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the financial statements, which begin on page 9.

#### FINANCIAL HIGHLIGHTS

- Revenue increased by \$675,600 or approximately 16.7% due mainly to additional funding for OverDrive Advantage.
- Expenditures increased by \$766,470 or approximately 19.6% due mainly to the additional costs for OverDrive Advantage.
- The fund balance of total governmental funds increased by \$50,831 or approximately 16%.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of five parts:

- Management's Discussion and Analysis
- Basic Financial Statements
  - System-wide Financial Statements
  - Fund Financial Statements
- Required Supplementary Information
- Other Auditors' Reports
- Schedule of Findings and Responses

The basic financial statements include two kinds of statements that present different views of the System. The first two statements are government-wide financial statements that provide both long-term and short-term information about the System's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the System and report the System's operations in more detail than the government-wide statements. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by required supplementary information that further explains and supports the information in the financial statements.

## MILWAUKEE COUNTY FEDERATED LIBRARY SYSTEM

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

#### A. GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the System's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the System's assets, liabilities and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the System is improving or deteriorating.

The *statement of activities* presents information showing how the System's net position changed during the most recent fiscal year. 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.

All of the functions of the System are principally supported by membership fees and intergovernmental revenues. These governmental activities are broadly described in Section 43.24(2), *Wisconsin Statutes*, and include the following:

- Written agreements with member libraries stating that they agree to provide the same services to any resident of the System.
- Referral or routing of reference and interlibrary loan requests from libraries within the System.
- In-service training for participating public library personnel and trustees.
- Electronic delivery of information and physical delivery of library materials to participating libraries.
- Promotion and facilitation of library service to users with special needs.
- Cooperation, planning, and agreements with other types of libraries in the System area for the appropriate sharing of library resources to benefit the clientele of all libraries in the System area.
- Planning with the Department of Public Instruction and with libraries in the area in regard to library technology and the sharing of resources.

#### B. FUND FINANCIAL STATEMENTS

Funds are groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The System, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The System uses only governmental funds which include only a general fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating the System's near-term financing requirements.

## MILWAUKEE COUNTY FEDERATED LIBRARY SYSTEM

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

#### C. NOTES TO FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-34 of the financial statements.

#### FINANCIAL ANALYSIS OF THE SYSTEM AS A WHOLE

Governmental activities are the only type of service provided by the System. As noted earlier, net position may serve over time as a useful indicator of the System's financial position. At the close of 2021, the System's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$406,000.

	2020	2021
Current and other assets	\$ 3,183,317	\$ 3,673,200
Capital Assets	59,445	46,454
Total assets	<u>3,242,762</u>	<u>3,719,654</u>
Deferred Outflows of Resources	<u>201,725</u>	<u>271,276</u>
Long-term liabilities	208,621	232,641
Other liabilities	1,327,293	1,367,934
Total liabilities	<u>1,535,914</u>	<u>1,600,575</u>
Deferred inflows of Resources Net position (deficit):	<u>2,378,212</u>	<u>2,796,355</u>
Net investment in capital assets	59,445	46,454
Restricted pension benefit	75,860	141,832
Unrestricted (deficit)	<u>(604,944)</u>	<u>(594,286)</u>
Total Net Position (deficit)	<u>\$ (469,639)</u>	<u>\$ (406,000)</u>

The capital assets reported consist mainly of computers, related equipment, and software and are shown net of accumulated depreciation. There were no significant changes during the current year. Additional information regarding the System's capital assets can be found in Note 2 of this financial report.

The System's long-term debt consists of compensated absences, installment loans, and other postemployment benefits. Additional information can be found in Note 2 of this financial report.

## MILWAUKEE COUNTY FEDERATED LIBRARY SYSTEM

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

#### Change in Net Position Governmental Activities

	2020	2021
<b>Revenues</b>		
Program Revenues		
Charges for services General	\$ 1,103,992	\$ 1,799,608
Revenues:		
State and county aid	2,913,324	2,921,969
Interest	12,295	(1,681)
Other	24,519	9,834
Total Revenues	<u>4,054,130</u>	<u>4,729,730</u>
<b>Expenses</b>		
Library Services	<u>3,899,621</u>	<u>4,666,091</u>
Change in net position	154,509	63,639
Net position (deficit) – beginning of year	<u>(624,148)</u>	<u>(469,639)</u>
Net position (deficit) – end of year	<u>\$ (469,639)</u>	<u>\$ (406,000)</u>

Net position increased by \$63,639 or approximately 14%.

State and county aid totaled \$2,921,969 in the current year, which is an increase of approximately \$8,645 from 2020. State and county aid comprised 71.2% of the System's total revenue.

The System follows the accounting for The Governmental Accounting Standards Board (GASB) statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of *Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented January 1, 2018. Overall, the OPEB obligation for health insurance decreased to \$132,470 as of December 31, 2021. The System also recorded a net OPEB liability for life insurance of \$66,465 as of December 31, 2021.



#### **GOVERNMENTAL FUND BALANCE**

A portion of the fund balance at December 31, 2021 has been classified as nonspendable for the following purposes:

- \$29,866 for prepaid items.

The other portion of fund balance is shown as an unassigned deficit of \$292,360.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The System is facing pressures in its ability to fund library services while keeping pace with the growing demand for its services. The System will expand its fund balance in the future, as necessary, in order to continue offering its services.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the System's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Milwaukee County Federated Library System, 709 North Eighth Street, Milwaukee, WI 53233-2414.

General information about the System and its programs or services can be found on the System's web site at <http://www.mcfls.org>.

## **BASIC FINANCIAL STATEMENTS**

## Statement of Net Position

December 31, 2021

	<b>Governmental Activities</b>
<b>Assets and Deferred Outflows of Resources</b>	
<b>Assets</b>	
Cash and investments	\$ 3,382,349
Accounts receivable	119,153
Prepaid items	29,866
Restricted, net pension asset	141,832
Capital assets, net of accumulated depreciation/amortization	46,454
Total assets	<u>3,719,654</u>
<b>Deferred Outflows of Resources</b>	
Deferred outflow related to OPEB, LRLIF	39,346
Deferred outflow related to pension	231,930
Total deferred outflow of resources	<u>271,276</u>
<b>Liabilities, Deferred Inflow of Resources and Net Position (Deficit)</b>	
<b>Liabilities</b>	
Accounts payable	1,293,914
Accrued liabilities	24,125
Noncurrent liabilities:	
Due within one year	49,895
Due in more than one year	232,641
Total liabilities	<u>1,600,575</u>
<b>Deferred Inflow of Resources</b>	
Deferred inflow related to pension	310,699
Deferred inflow related to OPEB, LRLIF	9,832
Unearned revenue	2,475,824
Total deferred inflow of resources	<u>2,796,355</u>
<b>Net Position (Deficit)</b>	
Investment in capital assets	46,454
Restricted for pension	141,832
Unrestricted (deficit)	(594,286)
Total net position (deficit)	<u><u>\$ (406,000)</u></u>

See notes to financial statements

## Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Library	\$ 4,666,091	\$ 1,799,608	\$ -	\$ (2,866,483)
<b>General Revenues</b>				
				2,921,969
				(1,681)
				9,834
				2,930,122
				63,639
				(469,639)
				\$ (406,000)

See notes to financial statements

Balance Sheet  
 Governmental Funds  
 December 31, 2021

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash and investments	\$ 3,382,349	\$ 3,382,349
Accounts receivable	119,154	119,154
Prepaid items	29,866	29,866
<b>Total assets</b>	<b>3,531,369</b>	<b>3,531,369</b>
<b>Liabilities</b>		
Accounts payable	1,293,914	1,293,914
Accrued payroll	24,125	24,125
<b>Total liabilities</b>	<b>1,318,039</b>	<b>1,318,039</b>
<b>Deferred Inflow of Resources</b>		
Unearned revenue	2,475,824	2,475,824
<b>Total deferred inflow of resources</b>	<b>2,475,824</b>	<b>2,475,824</b>
<b>Fund Balances (Deficit)</b>		
Nonspendable	29,866	29,866
Unassigned (deficit)	(292,360)	(292,360)
<b>Total fund balances (deficit)</b>	<b>(262,494)</b>	<b>(262,494)</b>
<b>Total liabilities, deferred inflow of resources and fund balances (deficit)</b>	<b>\$ 3,531,369</b>	
Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances (deficit)		(262,494)
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.		
Software and equipment		1,785,570
Less accumulated depreciation/amortization		(1,739,116)
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.		141,832
Deferred outflows of resources related to pension and OPEB do not relate to current financial resources and are not reported in the governmental funds.		271,276
Deferred inflows of resources related to pension and OPEB do not relate to current financial resources and are not reported in the governmental funds.		(320,532)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences		(83,601)
Net OPEB, LRLIF		(66,465)
Total OPEB, single employer		(132,470)
<b>Net Position (Deficit) of Governmental Activities</b>		<b>\$ (406,000)</b>

See notes to financial statements

**Milwaukee County Federated Library System****Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**

Year Ended December 31, 2021

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>		
Intergovernmental	\$ 4,721,577	\$ 4,721,577
Investment income (loss)	(1,681)	(1,681)
Other	9,834	9,834
	<u>4,729,730</u>	<u>4,729,730</u>
<b>Expenditures</b>		
Current, library	4,678,899	4,678,899
	<u>4,678,899</u>	<u>4,678,899</u>
Net change in fund balances	50,831	50,831
<b>Fund Balances (Deficit), Beginning</b>	<u>(313,325)</u>	<u>(313,325)</u>
<b>Fund Balances (Deficit), Ending</b>	<u><u>\$ (262,494)</u></u>	<u><u>\$ (262,494)</u></u>

See notes to financial statements

**Milwaukee County Federated Library System**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
of Governmental Fund to the Statement of Activities  
Year Ended December 31, 2021

**Net Change in Fund Balances, Total Governmental Funds** \$ 50,831

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position, the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the Statement of Activities.

Expenditures reported in the fund financial statements but are capitalized in the system-wide financial statements	6,559
Depreciation/amortization is reported in the system-wide statements	(18,535)
Loss on disposal	(1,016)

Some revenue and expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenue and expenditures in the governmental funds.

Unavailable revenue	-
Total OPEB, single employer	2,946
Net OPEB, LRLIF	(23,300)
Compensated absences	(5,561)
Net pension asset	65,972
Deferred outflows related to pension	55,542
Deferred outflows related to OPEB, LRLIF	14,009
Deferred inflows related to OPEB, LRLIF	(545)
Deferred inflows related to pension	(83,263)

**Change in Net Position of Governmental Activities** \$ 63,639

Index to Notes to Financial Statements  
December 31, 2021

	<u>Page</u>
<b>1. Summary of Significant Accounting Policies</b>	15
Reporting Entity	15
System-Wide and Fund Financial Statements	15
Measurement Focus, Basis of Accounting, and Financial Statement Presentation	16
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	17
Deposits and Investments	17
Receivables	17
Prepaid Items	17
Restricted Assets	18
Capital Assets	18
Deferred Outflows of Resources	18
Compensated Absences	18
Long-Term Obligations	18
Deferred Inflows of Resources	18
Equity Classifications	19
Pensions	20
Other Postemployment Benefits	20
<b>2. Detailed Notes on All Funds</b>	20
Deposits and Investments	20
Receivables	20
Restricted Assets	21
Capital Assets	22
Long-Term Obligations	22
Fund Balances	23
Leases	23
Reciprocal Borrowing	23
<b>3. Other Information</b>	23
Employees' Retirement System	23
Risk Management	28
Commitments and Contingencies	28
Economic Dependency	29
Other Postemployment Benefits (OPEB) - Single Employer	29
Other Postemployment Benefits - LRLIF	29
Effect of New Accounting Standards on Current-Period Financial Statements	34



**Milwaukee County Federated Library System**

Notes to Financial Statements

December 31, 2021

**1. Summary of Significant Accounting Policies**

The accounting policies of the Milwaukee County Federated Library System (System) in Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Government Accounting Standards Board (GASB).

**Reporting Entity**

This report includes all of the funds of the Milwaukee County Federated Library System. The reporting entity for the System consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The System has not identified any organizations that meet this criteria

**System-Wide and Fund Financial Statements****System-Wide Financial Statements**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, charges for services and other nonexchange revenues.

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. The System does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from 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. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

**Fund Financial Statements**

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Milwaukee County Federated Library System**  
**Notes to Financial Statements**  
**December 31, 2021**

Funds are organized as major funds or non-major funds within the governmental fund financial statements. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the System or meets the following criteria:

- a. Total assets/deferred outflows, liabilities/deferred inflows of resources, revenues, or expenditures of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. In addition, any other governmental fund that the System believes is particularly important to financial statement users may be reported as a major fund.

The System reports the following major governmental funds:

General Fund - accounts for the System's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

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

### **System-Wide Financial Statements**

The system-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

As a general rule, the effect of interfund activity has been eliminated from the system-wide financial statements. Exceptions to this general rule are charges between various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### **Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are 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 System considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Intergovernmental aids and grants are recognized as revenues in the period the System is entitled to the resources and the amounts are available. Amounts owed to the System which are not available are recorded as receivables and unavailable revenues. Amounts received before eligible requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include investment income. Other miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Notes to Financial Statements  
December 31, 2021

### All Financial Statements

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, deferred outflow of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

#### Deposits and Investments

Investment of the Systems funds are restricted by state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, System, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The System has not adopted an investment policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The difference between the bank balance and carrying value is due to outstanding checks and deposits in transit.

See Note 2 for further information.

#### Receivables

Accounts receivable have been shown at the gross amount. No allowance for uncollectible accounts is deemed necessary.

#### Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both system-wide and fund financial statements.

Notes to Financial Statements  
December 31, 2021

### **Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

### **Capital Assets**

#### **System-Wide Financial Statements**

Capital assets, which include property, plant and equipment and software are reported in the System-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation/amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation/amortization reflected in the statement of net position. Depreciation/amortization is provided over the assets' estimated useful lives using the straight-line method of depreciation/amortization. The System depreciates/amortizes its software and equipment over useful lives of 3 to 5 years.

#### **Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

### **Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

### **Compensated Absences**

Compensated absences is an estimated liability for sick leave (payable upon retirement) and vacation time for all employees. The System will also provide health insurance benefits to eligible employees upon their retirement. Any employee hired on or after January 1, 2004 is not eligible for any health insurance coverage for the period of time between the end of active service and eligibility for Medicare or age 65. As of December 31, 2021, there was one active employee accruing the health insurance benefit.

### **Long-Term Obligations**

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of installment loans payable.

Long-term obligations for governmental funds are not reported as liabilities in the fund financials statements. The face value of debt is reported as other financing sources and payments of principal and interest are reported as expenditures.

### **Deferred Inflows of Resources**

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

## Notes to Financial Statements

December 31, 2021

**Equity Classifications****System-Wide Financial Statements**

Equity is classified as net position and displayed in three components:

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted resources are available for use, it is the System's policy to use restricted resources first, then unrestricted resources as they are needed.

**Fund Financial Statements**

Governmental fund equity is classified as fund balance and displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action (resolution) of the System. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the System that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Fund balance may be assigned through the following; 1) The System has adopted a financial policy authorizing the Administrator to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Notes to Financial Statements  
December 31, 2021

The System considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the System would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

### Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. 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.

### Other Postemployment Benefits

For purposes of measuring the total OPEB liability - health, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the System OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

## 2. Detailed Notes on All Funds

### Deposits and Investments

The System's cash and investments at year end were comprised of the following:

	<b>Carrying Value</b>	<b>Bank Balance</b>	<b>Associated Risks</b>
Demand deposits	\$ 837,535	\$ 865,181	Custodial Credit Concentration of Credit Risk
Trust accounts	2,544,764	2,544,764	
Petty cash	50	-	
<b>Total cash and investments</b>	<b>\$ 3,382,349</b>	<b>\$ 3,409,945</b>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	<u>\$ 3,382,349</u>		

Notes to Financial Statements  
December 31, 2021

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

Milwaukee County holds and invests the System's State Aid in a custodial account. The balance at December 31, 2021 was \$2,544,764. Information by investment type and maturities for December 31, 2021 is that approximately 78.38% was invested in Government and Government Agency Guaranteed Adjustable Rate and U.S. Agency Securities, U.S. Treasuries and Money Market Funds; almost all with maturities of 5 years or less and rated "AAA" by both Standard & Poor's and Moody's Investor Service.

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments are considered all level 1 for U.S. Treasuries and level 2 for all others.

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The County's written investment policy states that investments held by the County shall be diversified to control the risk of loss from over concentration and also the type of investment. The policy also places limits on the percentage of the portfolio that may be invested in each type of investment. At December 31, 2021, the County is not exposed to concentration of credit risk.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the System will not be able to recover deposits. Neither the System nor the County has a deposit policy for custodial credit risk. At December 31, 2021, there were no cash and investments held by the County that were uninsured and uncollateralized and exposed to custodial credit risk.

### Receivables

All of the receivables on the balance sheet are expected to be collected within one year.

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current year, the various components of *unavailable* revenue and *unearned* revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
State aids for subsequent year	<u>\$ 2,475,824</u>

### Restricted Assets

The following represent the balances of the restricted assets:

### Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.



Notes to Financial Statements  
December 31, 2021

### Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets being depreciated/amortized:				
Equipment	\$ 272,821	\$ 6,559	\$ (62,908)	\$ 216,472
Software	1,569,098	-	-	1,569,098
Less accumulated depreciation/ amortization	<u>(1,782,474)</u>	<u>(18,535)</u>	<u>61,893</u>	<u>(1,739,116)</u>
 Total capital assets, net of accumulated depreciation/ amortization	<u>\$ 59,445</u>	<u>\$ (11,976)</u>	<u>\$ (1,015)</u>	<u>\$ 46,454</u>

Depreciation/amortization expense was charged to functions as follows:

<b>Governmental Activities:</b>	
Library	<u>\$ 18,535</u>

### Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental activities:</b>					
Compensated absences	\$ 78,040	\$ 51,437	\$ 45,876	\$ 83,601	\$ 49,895
Total OPEB, single employer	135,416	10,856	13,802	132,470	-
Net OPEB, LRLIF	<u>43,165</u>	<u>23,300</u>	<u>-</u>	<u>66,465</u>	<u>-</u>
	<u>\$ 256,621</u>	<u>\$ 85,593</u>	<u>\$ 59,678</u>	<u>\$ 282,536</u>	<u>\$ 49,895</u>



Notes to Financial Statements  
December 31, 2021

**Fund Balances**

**Governmental Funds**

Governmental fund balances reported on the fund financial statements at December 31, 2021 include the following:

**Nonspendable**

General Fund:

Prepaid items	<u>\$ 29,866</u>
---------------	------------------

**Unassigned (deficit)**

General Fund, Library operations	<u>\$ (292,360)</u>
----------------------------------	---------------------

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. The general fund had a deficit fund balance of \$262,494. This deficit will be funded by future intergovernmental revenue and/or cost savings.

**Leases**

Milwaukee County Federated Library System has a lease with the City of Milwaukee for their facility located in the Milwaukee Public Library under an agreement that expires December 31, 2023. The annual rent payment was \$129,815 for 2021.

**Reciprocal Borrowing**

The System extends interlibrary loan services to its members. The System accrued a general fund liability for \$1,102,846 in accordance with the members' agreement. The System will contribute 38%, of total state aid designated for 2020 and 2021 as the sum of all reciprocal borrowing payments to be distributed during the following year.

**3. Other Information**

**Employees' Retirement System**

**General Information about the Pension Plan**

**Plan Description**

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011 expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

## Notes to Financial Statements

December 31, 2021

**Vesting**

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of credible service to be vested.

**Benefits Provided**

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016 are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**Postretirement Adjustments**

The Employee Trust Fund Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s.40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<b>Year</b>	<b>Core Fund Adjustment</b>	<b>Variable Fund Adjustment</b>
2011	(1.2)%	11.0%
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

## Notes to Financial Statements

December 31, 2021

**Contributions**

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$23,337 in contributions from the System.

Contribution rates for the plan year reported as of December 31, 2021 are:

<b>Employee Category</b>	<b>Employee</b>	<b>Employer</b>
General (Executives and Elected Officials)	6.75%	6.75%

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

At December 31, 2021, the System reported an asset of \$141,832 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020.

No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The system's proportion of the net pension asset was based on the system's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the System's proportion was 0.00227182%, which was a decrease of 0.00008084% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2021, the System recognized pension expense of (\$12,515).

At December 31, 2021, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 205,275	\$ 44,216
Changes of actuarial assumptions	3,217	-
Net differences between project and actual earnings on pension plan	-	266,280
Changes in proportion and differences between employer contributions and proportionate share of contributions	101	203
Employer contributions subsequent to the measurement date	23,337	-
<b>Totals</b>	<b>\$ 231,930</b>	<b>\$ 310,699</b>

Notes to Financial Statements  
December 31, 2021

\$23,337 was reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<b><u>Deferred Outflows and Inflows of Resources (Net)</u></b>
Years Ended December 31:	
2022	\$ (26,238)
2023	(7,210)
2024	(48,234)
2025	(20,424)

### Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2019
Measurement date of net pension asset	December 31, 2020
Actuarial cost method	Entry age normal
Asset valuation method	Fair Value
Long-term expected rate of return	7.0%
Discount rate	7.0%
Salary increases	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement adjustments	1.9%

- \* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

## Notes to Financial Statements

December 31, 2021

**Long-Term Expected Return on Plan Assets**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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 geometric real rates of return for each major asset class are summarized in the following table:

<b>Core Fund Asset Class</b>	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %</b>
Global Equities	51%	7.2%	4.7%
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
<b>Variable Fund Asset Class</b>			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%.

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

**Single Discount Rate**

A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long-term bond rate of 2.00%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment 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  
December 31, 2021

**Sensitivity of the Systems' Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the System's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0%, as well as what the System's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	<b>1% Decrease to Discount Rate (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase to Discount Rate (8.00%)</b>
System proportionate share of the net position liability (asset)	\$ 135,005	\$ (141,832)	\$ (345,168)

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reportsand-statements>.

**Risk Management**

The System is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation, and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

**Commitments and Contingencies**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the System may be party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the System attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the System's financial position or results of operations.

The System has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The System has signed an agreement with Action Logistics, LLC to provide sorting and delivery of System materials between the member libraries of the System. The agreement ends December 31, 2022. It was renewed for 2021 with a provision to renew for two years and has a daily rate of \$1,092 plus an allowable fuel charge. The total cost of the agreement for the year ended December 31, 2021 was \$284,082.

Notes to Financial Statements  
December 31, 2021

### Economic Dependency

The System is economically dependent on funding from state aids revenue of approximately \$2,855,319 which assists in financing the systems operating costs.

### Other Postemployment Benefits (OPEB) - Single Employer

#### General Information about the OPEB plan

The System has a single-employer defined benefit healthcare plan. The plan is administered by the Wisconsin Public Employers (WPE) Group Health Insurance Program. The plan provides medical insurance benefits to active employees and eligible retirees and their spouses until eligible for Medicare at the age of 65. The plan does not issue a publicly available financial report.

The plan is funded on a pay-as-you-go basis. For 2021, there was one active employee accruing benefits. The system made no contributions for 2021.

#### Total OPEB Liability

The System's total OPEB liability of \$132,470 was measured as of December 31, 2021 using the alternative measurement method for a single employer that provides OPEB through a defined benefit plan not administered through a trust.

#### Assumptions and other inputs

The total OPEB liability was determined using an inflation rate of 2% and a discount rate of 0.96%. The discount rate was determined using the average of the last five years of data for short-term adjusted AFR (applicable federal rates) from the Internal Revenue Code.

#### Changes in Total OPEB Liability

The changes in the total OPEB liability as of December 31, 2021, was as follows:

Balance, December 31, 2020	\$	135,416
Changes for the year:		
Service costs		10,856
Change in discount rate		(13,802)
		<u>          </u>
Balance, December 31, 2021	\$	<u>132,470</u>

### Other Postemployment Benefits - LRLIF

#### Plan Description

The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Life Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.



Notes to Financial Statements  
December 31, 2021

### Benefits Provided

The LRLIF plan provides fully paid-up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

### Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate not of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates for the plan year reported as of December 31, 2021 are:

Coverage Type	Employer Contributions
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement Coverage	20% of Employee Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active).

The member contribution rates in effect for the plan year are as listed below:

Life Insurance Member Contribution Rates For the Plan Year		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$ 0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$204 in contributions from the employer.



Notes to Financial Statements  
December 31, 2021

**OPEB Liability, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs**

At December 31, 2021, the System reported a liability of \$66,465 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The System's proportion of the net OPEB liability was based on the System's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the System's proportion was 0.01208300% which was an increase of 0.00194600% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2021, the System recognized OPEB expense of \$10,077.

At December 31, 2021, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 3,712
Net differences between projected and actual earnings on OPEB plan investments	968	-
Changes in assumptions	25,856	4,020
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,324	2,100
Employer contributions subsequent to the measurement date	198	-
Total	<u>\$ 39,346</u>	<u>\$ 9,832</u>

\$198 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<b>Net Deferred Outflows (Inflows) of Resources (Net)</b>
Years ending December 31:	
2022	\$ 5,476
2023	5,371
2024	5,263
2025	4,724
2026	5,681
Thereafter	2,801

Notes to Financial Statements  
December 31, 2021

### Actuarial Assumptions

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net Pension Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.12%
Long-Term Expected Rate of Return:	4.28%
Discount Rate:	2.25%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

### Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

#### Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2020

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Credit Bonds	Barclays Credit	50%	1.47%
U.S. Mortgages	Barclays MBS	50	0.87
Inflation			2.20
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Notes to Financial Statements  
December 31, 2021

### Single Discount Rate

A single discount rate of 2.25% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

### Sensitivity of the System's Proportionate Share of the net OPEB Liability to Changes in the Discount Rate

The following presents the System's proportionate share of the net OPEB liability calculated using the discount rate of 2.25%, as well as what the System's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Proportionate share of the net OPEB liability	\$ 90,412	\$ 66,465	\$ 48,355

### OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Notes to Financial Statements  
December 31, 2021

**Effect of New Accounting Standards on Current-Period Financial Statements**

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, Subscription-Based Information Technology Arrangements
- Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32

When they become effective, application of these standards may restate portions of these financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General Fund

Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 4,338,442	\$ 4,752,965	\$ 4,721,577	\$ (31,388)
Investment income (loss)	10,000	5,000	(1,681)	(6,681)
Other	10,000	4,737	9,834	5,097
Total revenues	4,358,442	4,762,702	4,729,730	(32,972)
<b>Expenditures</b>				
Current:				
Program service expenditures				
Administration	856,153	826,473	513,367	313,106
Technology	1,910,358	2,400,031	2,583,101	(183,070)
Delivery	313,556	302,628	295,010	7,618
MPL resource library contract	178,457	178,457	178,457	-
Reciprocal borrowing subsidy	1,056,468	1,056,468	1,056,467	1
Continuing Ed multitype needs	19,000	22,000	16,047	5,953
Interlibrary loan	36,450	36,450	36,450	-
Total expenditures	4,370,442	4,822,507	4,678,899	143,608
Net change in fund balance	\$ (12,000)	\$ (59,805)	50,831	\$ 110,636
<b>Fund Balance (Deficit), Beginning</b>			(313,325)	
<b>Fund Balance (Deficit), Ending</b>			\$ (262,494)	

See notes to required supplementary information

Schedule of Changes in the System's Total OPEB Liability and Related Ratios  
Year Ended December 31, 2021

	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service cost	\$ 10,856	\$ 12,324	\$ 34,603	\$ 36,588
Change in assumptions	(13,802)	(123,536)	(12,039)	-
Adjustment to prior year	-	-	-	61,544
Net change in total OPEB liability	(2,946)	(111,212)	22,564	98,132
<b>Total OPEB Liability, Beginning</b>	<u>135,416</u>	<u>246,628</u>	<u>224,064</u>	<u>125,932</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 132,470</u>	<u>\$ 135,416</u>	<u>\$ 246,628</u>	<u>\$ 224,064</u>
<b>Covered-Employee Payroll</b>	<u>\$ 345,727</u>	<u>\$ 381,268</u>	<u>\$ 374,595</u>	<u>\$ 376,029</u>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	38.32%	35.52%	65.84%	59.59%

## Notes to Schedule:

*Benefit Changes* . There have been no benefit changes

*Changes of Assumptions* . The discount rate changed from 1.02% in 2020 to 0.96% in 2020.

The System implemented GASB Statement No. 75 in 2018. Information prior to fiscal year 2018 is not available.

Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System  
Year Ended December 31, 2021

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
December 31, 2014	0.00279081%	\$ (68,550)	\$ 368,826	18.59%	102.74%
December 31, 2015	0.00267786%	43,515	364,340	11.94%	98.20%
December 31, 2016	0.00258987%	21,347	371,374	5.75%	99.12%
December 31, 2017	0.00255482%	(75,855)	376,029	20.17%	102.93%
December 31, 2018	0.00242616%	86,315	336,677	25.64%	96.45%
December 31, 2019	0.00235266%	(75,860)	374,595	20.25%	102.96%
December 31, 2020	0.00227182%	(141,832)	381,267	37.20%	105.26%

Schedule of Employer Contributions - Wisconsin Retirement System  
Year Ended December 31, 2021

System Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2015	\$ 24,775	\$ (24,775)	\$ -	\$ 364,340	6.80%
December 31, 2016	24,511	(24,511)	-	371,374	6.60%
December 31, 2017	25,570	(25,570)	-	376,029	6.80%
December 31, 2018	22,558	(22,558)	-	336,677	6.70%
December 31, 2019	24,536	(24,536)	-	374,595	6.55%
December 31, 2020	25,736	(25,736)	-	381,268	6.75%
December 31, 2021	23,337	(23,337)	-	345,727	6.75%

See notes to required supplementary information



Schedule of Proportionate Share of the Net OPEB Liability - LRLIF  
Year Ended December 31, 2021

<b>Plan Year End Date</b>	<b>Proportion of the Net OPEB Liability</b>	<b>Proportionate Share of the Net Liability</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
December 31, 2017	0.008990000%	\$ 27,047	\$ 378,055	7.15%	44.81%
December 31, 2018	0.007662000%	19,771	367,000	5.39%	48.69%
December 31, 2019	0.010137000%	43,165	382,000	11.30%	37.58%
December 31, 2020	0.012083000%	66,465	391,000	17.00%	31.36%

Schedule of Employer Contributions - LRLIF  
Year Ended December 31, 2021

<b>System Year End Date</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
December 31, 2018	\$ 248	\$ (248)	\$ -	\$ 376,029	0.07%
December 31, 2019	204	(204)	-	374,595	0.05%
December 31, 2020	241	(241)	-	381,268	0.06%
December 31, 2021	198	(198)	-	345,727	0.06%

See notes to required supplementary information

Notes to Required Supplementary Information  
December 31, 2021

**Budgetary Information**

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

All annual appropriations lapse at year-end unless specifically carried over by the Board of Trustees. Budgetary control is exercised at the total fund level.

**Wisconsin Retirement System**

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The System is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

**Changes in Benefit Terms**

There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

**Changes in Assumptions**

No significant change in assumptions were noted from the prior year.

**Other Postemployment Benefits - Local Retiree Life Insurance Fund**

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The System is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

**Changes in Benefit Terms**

There were no changes of benefit terms for any participating employer in LRLIF.

**Changes in Assumptions**

Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the actuarial assumptions sections noted in Note 3.

## **OTHER AUDITORS' REPORTS**

**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***

To the Board of Trustees of  
Milwaukee County Federated Library System

We have audited, in accordance with the 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, and major fund of the Milwaukee County Federated Library System, Wisconsin, as of and for the year ended December 31, 2021, and the related notes to the financial statements which collectively comprise the Milwaukee County Federated Library System's basic financial statements, and have issued our report thereon dated July XX, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Milwaukee County Federated Library System'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Milwaukee County Federated Library System's internal control. Accordingly, we do not express an opinion on the effectiveness of the Milwaukee County Federated Library System'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 entity'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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 and 2021-002, that we consider to be material weaknesses.

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

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

### ***The Milwaukee County Federated Library System's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Milwaukee County Federated Library System's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Milwaukee County Federated Library System's response was not subjected to the other 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Milwaukee, Wisconsin  
July XX, 2022

Schedule of Findings and Responses  
December 31, 2021

## Section I - Findings and Responses

### Finding 2021-001: Lack of Segregation of Duties

*Criteria:* Management is responsible for establishing and maintaining effective internal control over financial reporting, the selection of accounting principles and the safeguarding of assets. Proper segregation of duties provides a system of checks and balances on the accounting system and reduces the risk of errors and irregularities, both intentional and unintentional.

*Condition:* The size of the System's office staff precludes an adequate segregation of accounting and reporting functions necessary to ensure an adequate internal control system. The System primarily operates its accounting and reporting function with one individual.

*Context:* The System operates its accounting and reporting function with principally one individual which precludes a proper segregation of duties between the physical custody of assets and the related recordkeeping.

*Effect:* Errors or irregularities could occur and not be detected in a timely manner.

*Cause:* The System has a limited number of staff.

*Recommendations:* Management should determine if the benefits achieved by resolving this internal control deficiency warrants the additional costs that would be required to remedy the current conditions.

*Management's Response:* Management concurs with the finding and has determined that the economic cost of addressing this issue outweighs the benefits to be achieved at this time. Management will continue to operate its accounting and reporting functions with one individual. Management will continue to monitor and supervise the accounting and reporting functions.

Schedule of Findings and Responses  
December 31, 2021

**Finding 2021-002: Internal Control Over Financial Reporting - Financial Statement Preparation**

*Criteria:* Statement on Auditing Standards No.115 requires the communication of significant deficiencies and material weaknesses in the year end reporting process.

*Condition:* The System's personnel do not have the necessary technical expertise in governmental accounting and reporting to prepare the financial statements in accordance with generally accepted accounting principles.

*Effect:* Information provided to management throughout the year may not be presented in accordance with generally accepted accounting principles.

*Cause:* Due to staffing and financial limitations, the System chooses to contract with the auditors to prepare the annual financial statements.

*Recommendations:* Management should evaluate the cost benefit relationship of continuing to use the services of the audit firm to prepare financial statements. Management should continue to review and closely monitor the financial affairs of the organization.

*Management's Response:* Management agrees with the finding and has determined that due to the small size of the organization and the limited number of accounting and administrative personnel, it is not cost effective to hire additional personnel or use the services of another CPA firm to prepare the organization's financial statements.

August 15<sup>th</sup>, 2022

To: MCFLS Board of Trustees

From: Steve Heser, MCFLS Director

Re: 2022 Mid-year Revised Budget

An explanation of the major changes to the mid-year budget for 2022:

#### Revenues

- Line 6— Interest on invested funds reported for first quarter was less than anticipated and we have assumed a loss on this line for 2022.
- Line 16—passthrough line (56) Brainfuse for 2022 is covered by an ARPA grant and removed from member database revenue.
- Line 18— carryover amount from 2021 increased by \$35,831.
- Line 19—changes to our assumptions on staffing caused these numbers to go down.
- Line 20— passthrough line (85). MCFLS is covering hoopla for members in 2022. Originally seen as a \$85,000 revenue/expense.
- Line 22— passthrough line (89). ARPA grant money for the system was approved after budget was passed in 2021.

#### Expenditures

- Lines 40 – Reduction in benefits due to staffing changes.
- Line 53—I would like to make sure we're covered for 2022 if hoopla expenses increase by adding an additional \$10,000 to this line.
- Line 55—MCFLS is absorbing additional Mobile app expense and Shoutbomb, which was originally a member expense.
- Line 69—Additional funding to cover maintenance on our Sierra and Encore servers until we transition off of our hosted hardware and into the Innovative cloud service.
- Line 75—Additional funding for delivery line which is almost solely based on fuel costs.
- Line 76—Reinstated South Central Delivery line which was removed in error.
- Line 78—Saved \$34,428 on a renegotiated lease with MPL.
- Line 103—ILS migration reserve came in \$7,000 lower than anticipated.



		<u>2022 Approved</u>	<u>2022 Revised</u>	<u>+/-</u>				
1								
2	<b>General Revenues</b>							
3	State Aid Revenue	\$ 3,301,094	\$ 3,301,094	\$ -				
4	Milwaukee County Allocation	\$ 66,650	\$ 66,650	\$ -				
5	West Milwaukee Contract -Other	\$ 38,180	\$ 39,940	\$ 1,760	Includes electronic access for WM residents			
6	Interest on Invested Funds	\$ 7,500	\$ (15,000)	\$ (22,500)	Assuming a loss here			
7	Member Forms/Supplies Revenue	\$ 20,900	\$ 25,000	\$ 4,100				
8	Member Postage Revenue	\$ 18,100	\$ 18,100	\$ -				
9	Member OCLC Revenue	\$ 127,336	\$ 127,337	\$ 1				
10	Member Telecomm. Revenue	\$ 16,800	\$ 16,800	\$ -				
11	Member III Softwre Maint-Basic	\$ 185,717	\$ 185,717	\$ -				
12	Member III Softwre Maint-Other	\$ 49,938	\$ 49,938	\$ -				
13	Member Tech. Assist.-Time Rev.	\$ 20,000	\$ 25,000	\$ 5,000				
14	Member Special Projects Revenu	\$ 70,000	\$ 70,000	\$ -				
15	Member Cataloging Contract Rev	\$ 151,176	\$ 151,176	\$ -				
16	Member Database Revenue	\$ 34,035	\$ 14,970	\$ (19,065)				
17	Member Ecommerce Transaction	\$ 6,800	\$ 6,800	\$ -				
18	Carryover Revenue	\$ 15,000	\$ 50,831	\$ 35,831	Confirmed in audit docs			
19	Staff Benefits/Co-Pay Revenue	\$ 58,875	\$ 46,547	\$ (12,328)				
20	Member Digital Content Rev	\$ 243,299	\$ 158,299	\$ (85,000)				
21	Member PC Management License Rev	\$ 2,545	\$ 2,545	\$ -				
22	LSTA Technology Grant Revenue	\$ 36,014	\$ 197,314	\$ 161,300	Includes additional ARPA funds			
23	Member Replacement Fines Revenue	\$ 7,000	\$ 7,000	\$ -				
24	Member OverDrive Advantage Rev	\$ 15,000	\$ 15,002	\$ 2				
25	<b>Total General Revenues</b>	\$ 4,491,959	\$ 4,561,060	\$ 69,101				
26								
27	<b>Special Revenues</b>							
28	Milwaukee County Advantage Revenue	\$ 50,000	\$ -	\$ (50,000)				
29	W. Milwaukee Borrowing Revenue	\$ 46,378	\$ 47,447	\$ 1,069	Includes funds for electronic resources			
30	InfoPass Project Management Revenue	\$ -	\$ 1,308	\$ 1,308	Added line for InfoPass			
31	Ecommerce Revenue	\$ 175,000	\$ 175,000	\$ -				
32	<b>Total Special Revenues</b>	\$ 271,378	\$ 223,755	\$ (47,624)				
33								
34	<b>Total Revenues</b>	\$ 4,763,337	\$ 4,784,815	\$ 21,478				
35								
36								
37		<u>2022 Draft</u>						
38								
39	<b>General Expenditures</b>							
40	Fringe Benefits Expense	\$ 273,215	\$ 248,076	\$ (25,140)				
41	Salaries Expense	\$ 431,956	\$ 432,396	\$ 440				
42	Telephone Renewal Expense	\$ 750	\$ 750	\$ -				
43	Member Ecommerce Transaction E	\$ 6,800	\$ 6,800	\$ -				
44	TNS Calls/Notices Expense	\$ 1,450	\$ 1,450	\$ -				
45	Conference/Training Expense	\$ 5,000	\$ 6,500	\$ 1,500	Training for Brittney			
46	Memberships Expense	\$ 6,500	\$ 7,500	\$ 1,000	Additional cost for lobbyist support			
47	Continuing Education Expense	\$ 9,000	\$ 9,000	\$ -				
48	Office Supplies Expense	\$ 1,500	\$ 1,500	\$ -				
49	Copy Machine Maint. Expense	\$ 2,500	\$ 1,000	\$ (1,500)	New copier reduced costs			
50	MCFLS Printing Expense	\$ 500	\$ -	\$ (500)	Moved to Marketing			
51	MCFLS Printing for Mem Expense	\$ 5,000	\$ -	\$ (5,000)	Moved to Marketing			
52	MCFLS WI Pub Lib Consortium Ex	\$ 6,586	\$ 6,586	\$ -				
53	MCFLS Buying Pool	\$ 145,000	\$ 155,000	\$ 10,000	Adding additional money to cover hoopla for 2022			
54	MCFLS Database Expense	\$ 97,453	\$ 96,883	\$ (570)				
55	MCFLS Catalog Enhancement Exp	\$ 141,829	\$ 158,112	\$ 16,283	Includes transition to new Mobile app and Shoutbomb			
56	Member Database Expense	\$ 34,035	\$ 14,970	\$ (19,065)				
57	MCFLS Postage Expense	\$ 600	\$ 600	\$ -				
58	Member Postage Expense	\$ 18,100	\$ 18,100	\$ -				
59	Member Forms/Supplies Expense	\$ 20,900	\$ 25,000	\$ 4,100				
60	Telephone Expense	\$ 7,000	\$ 7,000	\$ -				
61	Meetings Expense	\$ 1,000	\$ 1,000	\$ -				
62	Insurance Expense	\$ 12,400	\$ 11,512	\$ (888)				
63	Legal Expense	\$ 500	\$ 500	\$ -				
64	Audit Expense	\$ 12,500	\$ 12,500	\$ -				
65	Payroll Service Expense	\$ 5,400	\$ 5,400	\$ -				
66	III Software Support Expense	\$ 235,655	\$ 235,655	\$ -				
67	III Telephone Notification Subscr Exp	\$ 12,224	\$ 12,224	\$ -				
68	Member Telecomm. Expense	\$ 16,800	\$ 16,800	\$ -				
69	MCFLS Telecomm. Maint. Expense	\$ 30,000	\$ 40,000	\$ 10,000				
70	OCLC Expense	\$ 135,047	\$ 137,388	\$ 2,341				
71	MCFLS Computer Room Equipment	\$ 10,000	\$ 10,000	\$ -				
72	MCFLS Software Expense	\$ 7,000	\$ 7,000	\$ -				
73	MCFLS Equipment Expense	\$ 15,000	\$ 10,000	\$ (5,000)				
74	Member Special Projects Expens	\$ 70,000	\$ 70,000	\$ -				
75	Sorting and Delivery Expense	\$ 291,700	\$ 305,000	\$ 13,300	Adding additional money to cover 2022			
76	South Central Delivery Expense	\$ -	\$ 21,910	\$ 21,910	Reinstated South Central line			

77	MPL Resource Contract Expense	\$	206,318	\$	206,318	\$	-						
78	MPL Rent Lease Contract Exp.	\$	129,815	\$	95,387	\$	(34,428)	Saved money on renegotiated lease					
79	ILS Expense	\$	36,450	\$	36,450	\$	-						
80	MCFLS Catalog Cont Exp to MPL	\$	297,098	\$	297,098	\$	-						
81	Member Catalog Contract Exp.	\$	151,176	\$	151,176	\$	-						
82	MCFLS Collection Dev Tool	\$	26,972	\$	26,972	\$	-						
83	Internet Expense	\$	21,635	\$	21,635	\$	-						
84	Contingency Expense	\$	32,893	\$	39,717	\$	6,824						
85	Member Digital Content Exp	\$	243,299	\$	158,299	\$	(85,000)	hoopla removed as a member exp for 2022					
86	Marketing	\$	45,000	\$	50,500	\$	5,500	Move printing for members to this line					
87	Cooperative Purchasing Sub Exp	\$	2,500	\$	2,500	\$	-						
88	Member PC Management License Exp	\$	1,875	\$	1,875	\$	-						
89	LSTA Technology Grant Expense	\$	36,014	\$	197,314	\$	161,300	Includes ARPA					
90	Member MKE Mixer Expense	\$	1,400	\$	-	\$	(1,400)	Covered by MCFLS					
	MCFLS MKE Mixer Expense	\$	-	\$	1,400	\$	1,400						
92	Member Replacement Fines Exp	\$	7,000	\$	7,000	\$	-						
93	Member OverDrive Advantage Exp	\$	15,000	\$	15,002	\$	2						
94	Youth Services Exp	\$	10,000	\$	10,000	\$	-						
95	Inclusive Services Exp	\$	10,000	\$	10,000	\$	-						
96	<b>Total General Expenditures</b>	\$	3,345,346	\$	3,422,755	\$	77,409						
97													
98	<b>Special Expenditures</b>												
99	Milwaukee County Advantage Expense	\$	50,000	\$	-	\$	(50,000)	Not funded for 2022					
100	W. Milwaukee Borrowing Expense	\$	46,378	\$	47,447	\$	1,069						
101	RB - MCFLS Payment Expense	\$	1,056,468	\$	1,056,468	\$	-						
102	RB - MCFLS Reserve	\$	48,144	\$	48,144	\$	-						
103	ILS Migration Reserve	\$	42,000	\$	35,000	\$	(7,000)	Reduced cost for Innovative implementation					
104	Ecommerce Expense	\$	175,000	\$	175,000	\$	-						
105	<b>Total Special Expenditures</b>	\$	1,417,990	\$	1,362,059	\$	(55,931)						
106													
107	<b>Total Expenditures</b>	\$	4,763,336	\$	4,784,814	\$	21,478						
		<b>Revenue/Expenditures +/-</b>	\$	0									

## CONSOLIDATED DELIVERY AND SORTING SERVICES CONTRACT

### AMENDMENT FOR 2022-2023 SERVICE SCHEDULE:

All terms in the original contract are still in effect, except for the following changes, which are effective September 1, 2022:

Amount of Contract is \$799.00 base rate per day.

2-day bonus incentive (\$799.00 each day) will be based on the base rate noted above.

Only delivery services are part of the contract, not sorting services.

II. SCOPE OF SERVICES: Sorting will not be provided by Action Logistics, LLC.

Attachment B - Fuel charge has been amended to reflect the delivery base rate noted above and is attached to this Amendment.

Contract will terminate now on December 31, 2024.

Pricing of \$799 base rate will remain the same throughout the duration of the entire Contract.

If T & E Logistics, LLC would not be able to service the sorting contract for MCFLS, Action Logistics, LLC will provide sorting services to MCFLS to guarantee all sorting will be completed daily until either another vendor is awarded the sorting contract.

Also, Action Logistics, LLC could be a viable option for the entire duration of the MCFLS sorting contract if T & E Logistics, LLC can no longer service the contract.

MILWAUKEE COUNTY  
FEDERATED LIBRARY SYSTEM

CONTRACTOR

By \_\_\_\_\_  
Paul M. Ziehler, President

Action Logistics, LLC

Date \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_  
Steve Heser, Director

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

AMENDMENT TO ATTACHMENT A  
SPECIFICATIONS, GENERAL TERMS AND CONDITIONS FOR THE MILWAUKEE COUNTY FEDERATED  
LIBRARY SYSTEM (MCFLS) 2022, 2023 and 2024 DELIVERY SERVICES.

Fixed Daily Rate: Flat fixed daily rate of \$799.00 for the term of this contract (the fuel will be addressed separately).

Fuel Surcharge:

Fuel Cost (price per gallon)	Total Bill – Flat rate per day
2.50 and under	799.00
2.51 to 2.60	801.00
2.61 to 2.70	803.00
2.71 to 2.80	805.00
2.81 to 2.90	807.00
2.91 to 3.00	809.00
3.01 to 3.10	811.00
3.11 to 3.20	813.00
3.21 to 3.30	815.00
3.31 to 3.40	817.00
3.41 to 3.50	819.00
3.51 to 3.60	821.00
3.61 to 3.70	823.00
3.71 to 3.80	825.00
3.81 to 3.90	827.00
3.91 to 4.00	829.00
4.01 to 4.10	831.00
4.11 to 4.20	833.00
4.21 to 4.30	835.00
4.31 to 4.40	837.00
4.41 to 4.50	839.00
4.51 to 4.60	841.00
4.61 to 4.70	843.00
4.71 to 4.80	845.00
4.81 to 4.90	847.00
4.91 to 5.00	849.00
5.01 to 5.10	851.00
5.11 to 5.20	853.00
5.21 to 5.30	855.00
5.31 to 5.40	857.00
5.41 to 5.50	859.00
5.51 to 5.60	861.00
5.61 to 5.70	863.00
5.71 to 5.80	865.00
5.81 to 5.90	867.00
5.91 to 6.00	869.00

The CONTRACTOR undertakes and agrees to carry and deliver library materials consisting of books, magazines, audio-visual materials, mail envelopes, etc., as well as boxes, tubs, etc., to the regular delivery locations shown on ATTACHMENT B.

Delivery Routes and Sorting: Sorting will not be part of this contract which is performed in the sorting room.

Service Description: Provision of daily consolidated sorting services for the inter-library loan program of the Milwaukee County Federated Library System.

Time of Performance: September 1, 2022, to December 30, 2024

Amount of Contract: \$360.00 base rate per delivery day. Service is Monday through Friday except Holidays.

This CONTRACT, effective as of September 1, 2022, to December 30, 2024, is entered into by and between the Milwaukee County Federated Library System, (hereinafter referred to as the "SYSTEM"), and T & E Logistics, LLC (hereinafter referred to as the "CONTRACTOR")

WHEREAS, the CONTRACTOR represents self as being capable, experienced, and qualified to undertake and perform those certain services, as hereinafter set forth, as are required in accomplishing fulfillment of the obligations under the terms and conditions of this Contract as an independent contractor and not as an employee of the SYSTEM,

NOW, THEREFORE, the parties hereto do mutually agree as follows:

- I. REQUIREMENTS - The CONTRACTOR is required to:
  - A. Do, perform, and carry out in a satisfactory, timely, and proper manner the services delineated in this Contract.
  - B. Comply with requirements listed with respect to reporting on progress of the services, additional approvals required, and other matters relating to the performance of the services.
  - C. Comply with time schedules and payments terms.
- II. SCOPE OF SERVICES: (sorting all daily incoming bins, placing sorted bins on designated pallets, keep sorting room clean of debris and tripping hazards).
  - A. CONTRACTOR agrees to provide sorting services for the inter-library loan program of the SYSTEM which will include all necessary labor, sorting to be performed in the sorting room located in the Milwaukee Public Library at 833 West Wells Street in Milwaukee, WI.

Service times are estimated to be from 5:30 a.m. to 6:00 p.m. Sorters will be supplied the following items to perform their services: MPL card pass (activated from 5:30 AM to 6 PM-Monday through Friday), sorting room key and MPL key.

    - a. NOTE: SYSTEM and CONTRACTOR may come to an agreement with Milwaukee Public Library (MPL) to sort on non-service days during holidays such as the weeks of Thanksgiving, Christmas and New Years to prepare for the increase in volume. This is dependent on the delivery contracting company (Action Logistics, LLC) to deliver bins to MPL for the CONTRACTOR to sort items in a timely fashion.
    - b. CONTRACTOR must abide by the current sorting guidelines in place such as 2

Sorting stations designed with a 6-pallet system with specific libraries on each pallet to deliver properly to the 26 libraries by another contracting company (currently Action Logistics, LLC) for daily deliveries. Attached to this contract are the sorting room procedures and guidelines which are part of this sorting agreement.

- B. CONTRACTOR shall complete background checks at Contractor's expense on all personnel prior to starting any activity for the SYSTEM. CONTRACTOR shall confirm in writing to the SYSTEM that they have successfully conducted the background checks prior to the commencement of work and that CONTRACTOR will not use any personnel for whom background checks have revealed factors that make them unsuitable for the activity to be undertaken for the SYSTEM. This includes replacement personnel. At a minimum, resources to be checked should include, but are not limited to, civil (<http://wcca.wicourts.gov/index.xsl>) and criminal records (<http://wi-recordcheck.org/index.html>). Department of Transportation motor vehicle/licensing records (<http://www.dmv.org/wi-wisconsin/departement-motor-vehicles.php>). To do so, CONTRACTOR must obtain certain information for each of the CONTRACTOR'S employees/independent contractors expected to be performing work for the SYSTEM. At a minimum, the information shall include full name, date of birth and social security information. Additional information that is helpful in completing background checks includes maiden name, sex, race, driver's license number and issuing state and places of residence for the last three years.

NOTE: If the individual has resided outside of the State of Wisconsin within the last three (3) years, CONTRACTOR will have to do similar research within the state they resided in. All costs associated with the background checks are to be borne by the CONTRACTOR. All records are to be retained by the CONTRACTOR for a period of three (3) years after contract expiration.

The SYSTEM reserves the right to request the results of the background checks and/or to do additional background checks on their own.

- C. The personnel of the CONTRACTOR will arrive at SYSTEM headquarters at the MPL Central Library dock area (9<sup>th</sup> Street west side entrance at 833 West Wells Street) to sort all bins delivered daily by another contracted vendor between 5:30 AM and not after 6 PM unless given specific access by Milwaukee Public Library and SYSTEM. Note: Wauwatosa and West Allis libraries do not sort Central items. To perform services daily the CONTRACTOR must receive items from delivery by 1 PM daily the bins to be sorted by the delivery contracting company (currently Action Logistics, LLC). The contracting

delivery company, contracted with SYSTEM, will pick up all items from the sorting room by 7 AM except Wauwatosa, West Allis and Washington Park, which are picked up between 8 AM and 11 AM.

- D. CONTRACTOR agrees to keep in effect a Certificate of Insurance as specified in Attachment A for the duration of this contract.

III. SPECIFIC CONDITIONS OF PAYMENT:

Payment will be made within fourteen (14) days after receipt of a properly documented invoice according to the following schedules if completion is satisfactory:

All invoices are to be emailed and/or mailed directly to the Milwaukee County Federated Library System, 709 N. Eighth St., Milwaukee, WI 53233

CONTRACTOR will bill the SYSTEM bi-weekly invoices.

IV. NOTICES

Any and all notices shall be in writing and deemed served upon depositing same with the United States Postal Services addressed to the CONTRACTOR at:

T & E, LLC

ATTENTION: Thomas Coleman, President

2718 North 48<sup>th</sup> Street

Milwaukee, WI 53210

And to the SYSTEM at:

Milwaukee County Federated Library System Board

ATTENTION: Steve Hesel, Director

709 North Eighth Street

Milwaukee WI 53233

V. CONDITIONS OF PERFORMANCE AND COMPENSATION:

A. PERFORMANCE:

The CONTRACTOR agrees that the performance of the CONTRACTOR'S work, services and the results therefrom, pursuant to the terms, conditions, and agreements of this Contract, shall conform to such recognized high professional standards as are prevalent in this field of endeavor and like services.

- B. TAXES, SOCIAL SECURITY, INSURANCE, AND GOVERNMENT COMPLIANCE  
Personal income tax payments, social security contributions, insurance, and all other

receiving payment under this Contract shall be the sole responsibility of the CONTRACTOR. CONTRACTOR agrees to comply with all applicable federal, state, and local laws and regulations.

C. SUBCONTRACTING:

The CONTRACTOR shall not subcontract for the performance of any of the services herein set forth without prior written approval obtained from the SYSTEM.

VI. INDEMNIFICATION AND DEFENSE OF SUITS:

The CONTRACTOR agrees to indemnify, hold harmless, and defend the SYSTEM and all SYSTEM member libraries, its officers, agents, and employees from all liability including claims, demands, damages, actions or causes of action; together with any and all losses, costs, or expense, including attorney fees, where such liability is founded upon or grows out of the acts, errors, or omissions of the CONTRACTOR, its employees, agents or subcontractors.

VII. REGULATIONS:

The CONTRACTOR agrees to comply with all of the requirements of all federal, state and local laws related thereto.

VIII. TERMINATION OF CONTRACT FOR CAUSE:

If through any cause, the CONTRACTOR shall fail to fulfill in timely and proper manner its obligations under this Contract, or if the CONTRACTOR shall violate any of the covenants, agreements, or stipulations of the Contract, the SYSTEM shall thereupon have the right to terminate this Contract by giving written notice to the CONTRACTOR of such termination and specifying the effective date thereof, at least five (5) days before the effective date of termination.

Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the SYSTEM for damages sustained by the SYSTEM by virtue of any breach of the Contract by the CONTRACTOR, and the SYSTEM may withhold any payments to the CONTRACTOR for the purpose of set off until such time as the exact amount of damages due to the SYSTEM from the CONTRACTOR is determined.

IX. CHANGES:

The SYSTEM may, from time to time, request changes in the scope of services of the CONTRACTOR to be performed hereunder. Such changes, including any increase or decrease in the amount of the CONTRACTOR'S compensation which are mutually agreed upon by and between the SYSTEM and the CONTRACTOR, shall be incorporated in written amendments to



X. WAIVER:

One or more waivers by any party of any term of this contract will not be construed as a waiver of a subsequent breach of the same or any other term. The consent or approval given by any party with respect to any act by the other party requiring such consent or approval shall not be deemed to waive the need for further consent or approval of any subsequent act by such party.

XI. PERSONNEL:

The CONTRACTOR represents that he has or will secure at his own expense all personnel required in performing the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the SYSTEM.

All the services required hereunder will be performed by the CONTRACTOR or under his supervision and all personnel engaged in this work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.

XII. CONFLICT OF INTEREST:

A. INTEREST IN CONTRACT:

No officer, employer or agent of the SYSTEM who exercises any functions or responsibilities in connection with the carrying out of any services or requirements to which this Contract pertains shall have any personal interest, direct or indirect, in this Contract.

B. INTEREST OF OTHER LOCAL PUBLIC OFFICIALS:

No public official who exercises any functions or responsibilities in the review or approval of the carrying out of this Contract shall have any personal interest, direct or indirect, in this Contract.

C. INTEREST OF CONTRACTOR AND EMPLOYEES:

The CONTRACTOR covenants that no person described in Paragraph XII.A. and XII.B. above, who presently exercises any functions or responsibilities in connection with the Contract has any personal financial interest, direct or indirect, in this Contract. The CONTRACTOR further covenants that it has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The CONTRACTOR further covenants that in any performance of

this Contract no person having any conflicting interest shall be employed. An interest on the part of the CONTRACTOR or its employees must be disclosed to the System.

### XIII. DISCRIMINATION PROHIBITED:

In all hiring or employment made possible by or resulting from this Contract there (1) will not be any discrimination against any employee or applicant for employment because of race, color, sexual orientation, religion, gender, or national origin, and (2) affirmative action will be taken to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sexual orientation, gender, or national origin.

### XIV INSURANCE:

The CONTRACTOR shall provide to the SYSTEM an affidavit or other satisfactory proof which the SYSTEM may require evidencing that the CONTRACTOR has obtained Worker's Compensation Insurance or Occupational Hazardous Insurance for all persons performing any work or services under the Contract as is required by the Worker's Compensation Act of the State of Wisconsin.

The CONTRACTOR will during the term of the Contract keep in force and effect other insurance policies as required by the contract.

No payments or disbursements under the Contract shall be made if such proof has not been furnished. Failure to submit an insurance certificate, as required, can make the contract void at the SYSTEM'S discretion.

### XV. FORCE MAJEURE:

If the performance of any part of this Contract by either party is delayed or rendered impossible by reason of natural disaster, flood, fire, riot, explosion, war or actions or decrees of governmental bodies, the party who has so been affected shall immediately give notice to the other party of such conditions and the extent of delay and shall do everything possible to resume performance. Upon receipt and acceptance of such notice, all obligations under this Contract shall immediately be suspended. If the period of nonperformance exceeds twenty-one (21) days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has not been so affected may, by giving written notice, terminate this contract.

IN WITNESS WHEREOF, the CONTRACTOR and the SYSTEM have caused this Contract to be executed for and on their respective behalf as of the dates hereinafter set forth.

MILWAUKEE COUNTY  
FEDERATED LIBRARY SYSTEM

CONTRACTOR

By \_\_\_\_\_

Paul M. Ziehler, President

Date \_\_\_\_\_

By \_\_\_\_\_  
Steve Hesel, Director

Date \_\_\_\_\_

T & E Logistics, LLC

By \_\_\_\_\_

Thomas Coleman, President

Date \_\_\_\_\_



# **Milwaukee County Federated Library System**

## **Employment Handbook**

**March 2022**

**Notes** The content of this handbook does not constitute nor should it be construed as a promise of employment or as a contract between the Milwaukee County Federated Library System and any of its employees.

The Milwaukee County Federated Library System at its option, may change, delete, suspend, or discontinue parts or the policy in its entirety, at any time with or without prior notice.

The March 2022 MCFLS Employment Handbook supersedes and replaces the MCFLS Employment Handbook of January 2019.

---

Effective MM/DD/YYYY  
MCFLS Employment Handbook

MCFLS Employment Handbook

**TABLE OF CONTENTS**

1.1	Welcome .....	11
1.2	MCFLS Mission .....	11
1.3	Changes in Policy / Handbook .....	12
<b>2</b>	<b>EMPLOYEE DEFINITION AND STATUS .....</b>	<b>13</b>
2.1	Employment Classification .....	13
2.2	Probationary Period for New Employees .....	13
<b>3</b>	<b>EMPLOYMENT POLICIES .....</b>	<b>14</b>
3.1	Equal Employment Opportunity .....	14
3.2	Affirmative Action/Diversity .....	14
3.3	Americans with Disabilities Act .....	14
3.4	Immigration Law Compliance .....	14
3.5	Employee Background Check .....	15
3.6	Criminal Records .....	15
3.7	Anniversary Date .....	15
3.8	New Employee Orientation .....	15
3.9	Personnel Records and Administration .....	15
3.10	Change of Personal Data .....	16
3.11	Safety .....	16
3.12	Fire Prevention and Steps to Follow In Case of Fire .....	17
3.13	Building Security .....	18
3.14	Personal Property .....	18
3.15	Health-related Issues .....	19
3.16	Employee Requiring Medical Attention .....	19
3.17	Visitors in the Workplace .....	19
3.18	Employment of Relatives .....	19

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 2

MCFLS Employment Handbook

3.19	Weather-related and Emergency-related Closings .....	19
3.20	Residency .....	20
<b>4</b>	<b>COMPLAINT PROCEDURE – DISCIPLINE AND WORKPLACE SAFETY .....</b>	<b>21</b>
<b>5</b>	<b>STANDARDS OF CONDUCT .....</b>	<b>24</b>
5.1	General Guidelines .....	24
5.2	Attendance and Punctuality .....	24
5.3	Work Schedule .....	24
5.4	Telecommuting Policy and Procedures .....	24
5.5	Absence and Lateness .....	27
5.6	Meal and Break Periods .....	28
5.7	Harassment Policy .....	28
5.8	Sexual Harassment Policy .....	29
5.9	Reporting Harassment .....	29
5.10	Violence in the Workplace .....	29
5.11	Confidential Information and Nondisclosure .....	30
5.12	Ethical Standards .....	31
5.13	Dress Code and Personal Appearance .....	31
5.14	Use of Equipment .....	32
5.15	Use of Personal Vehicles for System Business .....	32
5.16	Use of Computer, Phone, and Electronic Mail (E-Mail) .....	32
5.17	Use of Computer Software .....	33
5.18	Smoking Policy .....	33
5.19	Alcohol and Substance Abuse .....	33
5.20	Gifts .....	34
5.21	Solicitations and Distributions .....	34
5.22	Complaint Procedure .....	35
5.23	Corrective Procedure .....	35

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 3

MCFLS Employment Handbook

5.24	Crisis Suspension .....	35
5.25	Outside Employment .....	35
5.26	Employment Termination/Resignation .....	35
5.27	Exit Interview .....	36
5.28	Return of Company Property .....	36
5.29	Rehiring of Former MCFLS Employees .....	36
5.30	Post-Employment Inquiries .....	36
<b>6</b>	<b>COMPENSATION POLICIES .....</b>	<b>37</b>
6.1	MCFLS Compensation Philosophy .....	37
6.2	Basis for Rate of Compensation .....	37
6.3	Timekeeping Procedures .....	37
6.4	Pay Cycle (Bi-Weekly) .....	38
6.5	Mandatory Deductions from Paycheck .....	38
6.6	Error on Paycheck .....	38
6.7	Promotion Policy .....	38
6.8	Travel and Lodging Policy .....	39
6.9	Use of MCFLS Credit Card .....	42
<b>7</b>	<b>EMPLOYEE BENEFITS .....</b>	<b>42</b>
7.1	Benefits Summary and Eligibility .....	42
7.2	Health Insurance .....	42
7.3	Dental Insurance .....	43
7.4	Vision Insurance .....	43
7.5	Prescription Drugs .....	43
7.6	Life Insurance .....	43
7.7	Deferred Compensation Plan .....	44
7.8	Reliance on Underlying Plans .....	44
7.9	Worker's Compensation .....	44

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 4

MCFLS Employment Handbook

7.10	Unemployment Compensation .....	44
7.11	Social Security.....	45
7.12	State Retirement Plan.....	45
7.13	Terminal Leave.....	45
7.14	Duty Incurred Disability Pay .....	46
<b>8</b>	<b>TIME-OFF BENEFITS .....</b>	<b>48</b>
8.1	Holiday Policy .....	48
8.2	Vacation Policy.....	49
8.3	Vacation Time – Accumulation Rights.....	50
8.4	Personal Days .....	50
8.5	Sick Leave.....	50
8.6	Funeral (Bereavement) Leave .....	51
8.7	Jury Duty .....	52
8.8	Military, Reserves, or National Guard Leaves of Absence .....	52
8.9	Family/Medical Leaves of Absence.....	53
8.10	Personal Leave of Absence .....	55
8.11	Part-Time Staff – Prorated Benefits.....	56
<b>9</b>	<b>EMPLOYEE COMMUNICATIONS.....</b>	<b>57</b>
9.1	Open Communication .....	57
9.2	MCFLS Staff Meetings/Lunches.....	57
9.3	MCFLS Staff Meetings.....	57
9.4	Suggestions .....	57
9.5	Closing Statement .....	58
	<b>APPENDIX A – HEALTH INSURANCE.....</b>	<b>59</b>
	<b>APPENDIX B – LIFE INSURANCE .....</b>	<b>62</b>
	<b>64</b>	
	<b>APPENDIX C – ABSENCE REDUCTION PROGRAM.....</b>	<b>65</b>

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 5



MCFLS Employment Handbook

66

**RECEIPT AND ACKNOWLEDGEMENT OF THE MILWAUKEE COUNTY FEDERATED  
LIBRARY SYSTEM EMPLOYMENT HANDBOOK..... 67**

**1.1 — Welcome ..... 7**

**1.2 — MCFLS Mission ..... 7**

**1.3 — Changes in Policy / Handbook ..... 8**

**2 — EMPLOYEE DEFINITION AND STATUS ..... 9**

**2.1 — Employment Classification ..... 9**

**2.2 — Probationary Period for New Employees ..... 9**

**3 — EMPLOYMENT POLICIES ..... 10**

**3.1 — Equal Employment Opportunity ..... 10**

**3.2 — Affirmative Action/Diversity ..... 10**

**3.3 — Americans with Disabilities Act ..... 10**

**3.4 — Immigration Law Compliance ..... 10**

**3.5 — Employee Background Check ..... 11**

**3.6 — Criminal Records ..... 11**

**3.7 — Anniversary Date ..... 11**

**3.8 — New Employee Orientation ..... 11**

**3.9 — Personnel Records and Administration ..... 11**

**3.10 — Change of Personal Data ..... 12**

**3.11 — Safety ..... 12**

**3.12 — Fire Prevention and Steps To Follow In Case of Fire ..... 13**

**3.13 — Building Security ..... 14**

**3.14 — Personal Property ..... 14**

**3.15 — Health-related Issues ..... 15**

**3.16 — Employee Requiring Medical Attention ..... 15**

**3.17 — Visitors in the Workplace ..... 15**

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 6

MCFLS Employment Handbook

3.18	Employment of Relatives	15
3.19	Weather-related and Emergency-related Closings	15
3.20	Residency	16
4	COMPLAINT PROCEDURE – DISCIPLINE AND WORKPLACE SAFETY	17
5	STANDARDS OF CONDUCT	20
5.1	General Guidelines	20
5.2	Attendance and Punctuality	20
5.3	Work Schedule	20
5.4	Telecommuting Policy and Procedures	20
5.5	Absence and Lateness	23
5.6	Meal and Break Periods	23
5.7	Harassment Policy	24
5.8	Sexual Harassment Policy	24
5.9	Reporting Harassment	24
5.10	Violence in the Workplace	25
5.11	Confidential Information and Nondisclosure	26
5.12	Ethical Standards	26
5.13	Dress Code and Personal Appearance	27
5.14	Use of Equipment	27
5.15	Use of Personal Vehicles for System Business	27
5.16	Use of Computer, Phone, and Electronic Mail (E-Mail)	28
5.17	Use of Computer Software	29
5.18	Smoking Policy	29
5.19	Alcohol and Substance Abuse	30
5.20	Gifts	30
5.21	Solicitations and Distributions	31
5.22	Complaint Procedure	31

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 7

MCFLS Employment Handbook

<u>5.23</u>	<u>Corrective Procedure</u>	<u>31</u>
<u>5.24</u>	<u>Crisis Suspension</u>	<u>31</u>
<u>5.25</u>	<u>Outside Employment</u>	<u>31</u>
<u>5.26</u>	<u>Employment Termination/Resignation</u>	<u>31</u>
<u>5.27</u>	<u>Exit Interview</u>	<u>32</u>
<u>5.28</u>	<u>Return of Company Property</u>	<u>32</u>
<u>5.29</u>	<u>Rehiring of Former MCFLS Employees</u>	<u>32</u>
<u>5.30</u>	<u>Post Employment Inquiries</u>	<u>32</u>
<b>6</b>	<b>COMPENSATION POLICIES</b>	<b>33</b>
<u>6.1</u>	<u>MCFLS Compensation Philosophy</u>	<u>33</u>
<u>6.2</u>	<u>Basis for Rate of Compensation</u>	<u>33</u>
<u>6.3</u>	<u>Timekeeping Procedures</u>	<u>33</u>
<u>6.4</u>	<u>Pay Cycle (Bi Weekly)</u>	<u>34</u>
<u>6.5</u>	<u>Mandatory Deductions from Paycheck</u>	<u>34</u>
<u>6.6</u>	<u>Error on Paycheck</u>	<u>34</u>
<u>6.7</u>	<u>Promotion Policy</u>	<u>34</u>
<u>6.8</u>	<u>Travel and Lodging Policy</u>	<u>35</u>
<b>7</b>	<b>EMPLOYEE BENEFITS</b>	<b>37</b>
<u>7.1</u>	<u>Benefits Summary and Eligibility</u>	<u>37</u>
<u>7.2</u>	<u>Health Insurance</u>	<u>38</u>
<u>7.3</u>	<u>Dental Insurance</u>	<u>38</u>
<u>7.4</u>	<u>Vision Insurance</u>	<u>38</u>
<u>7.5</u>	<u>Prescription Drugs</u>	<u>39</u>
<u>7.6</u>	<u>Life Insurance</u>	<u>39</u>
<u>7.7</u>	<u>Deferred Compensation Plan</u>	<u>39</u>
<u>7.8</u>	<u>Reliance on Underlying Plans</u>	<u>39</u>
<u>7.9</u>	<u>Worker's Compensation</u>	<u>39</u>

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 8

MCFLS Employment Handbook

<u>7.10</u>	<u>Unemployment Compensation</u>	<u>40</u>
<u>7.11</u>	<u>Social Security</u>	<u>40</u>
<u>7.12</u>	<u>State Retirement Plan</u>	<u>41</u>
<u>7.13</u>	<u>Terminal Leave</u>	<u>41</u>
<u>7.14</u>	<u>Duty Incurred Disability Pay</u>	<u>41</u>
<b><u>8</u></b>	<b><u>TIME-OFF BENEFITS</u></b>	<b><u>43</u></b>
<u>8.1</u>	<u>Holiday Policy</u>	<u>43</u>
<u>8.2</u>	<u>Vacation Policy</u>	<u>44</u>
<u>8.3</u>	<u>Vacation Time – Accumulation Rights</u>	<u>45</u>
<u>8.4</u>	<u>Personal Days</u>	<u>45</u>
<u>8.5</u>	<u>Sick Leave</u>	<u>46</u>
<u>8.6</u>	<u>Funeral (Bereavement) Leave</u>	<u>47</u>
<u>8.7</u>	<u>Jury Duty</u>	<u>47</u>
<u>8.8</u>	<u>Military, Reserves, or National Guard Leaves of Absence</u>	<u>48</u>
<u>8.9</u>	<u>Family/Medical Leaves of Absence</u>	<u>48</u>
<u>8.10</u>	<u>Personal Leave of Absence</u>	<u>51</u>
<u>8.11</u>	<u>Part-Time Staff – Prorated Benefits</u>	<u>52</u>
<b><u>9</u></b>	<b><u>EMPLOYEE COMMUNICATIONS</u></b>	<b><u>53</u></b>
<u>9.1</u>	<u>Open Communication</u>	<u>53</u>
<u>9.2</u>	<u>MCFLS Staff Meetings/Lunches</u>	<u>53</u>
<u>9.3</u>	<u>MCFLS Management Meetings</u>	<u>53</u>
<u>9.4</u>	<u>Suggestions</u>	<u>53</u>
<u>9.5</u>	<u>Closing Statement</u>	<u>54</u>
<b><u>APPENDIX A</u></b>	<b><u>HEALTH INSURANCE</u></b>	<b><u>54</u></b>
<b><u>APPENDIX B</u></b>	<b><u>LIFE INSURANCE</u></b>	<b><u>57</u></b>
<b><u>APPENDIX C</u></b>	<b><u>ABSENCE REDUCTION PROGRAM</u></b>	<b><u>60</u></b>
<b><u>RECEIPT AND ACKNOWLEDGEMENT OF THE MILWAUKEE COUNTY FEDERATED LIBRARY SYSTEM EMPLOYMENT HANDBOOK</u></b>		<b><u>62</u></b>

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 9

DRAFT

## INTRODUCTION

This document has been developed by the MCFLS Director and MCFLS Business Manager in order to familiarize employees with the Milwaukee County Federated Library System and provide information about working conditions, key policies, procedures, and benefits affecting employment at MCFLS.

### 1.1 Welcome

Welcome to the Milwaukee County Federated Library System (MCFLS)! We hope you agree that you have a great contribution to make to the services that the library system offers, and that you will find your employment with us a rewarding experience. We look forward to working together with you to create a more successful organization. We want you to feel that your employment with us will be beneficial and gratifying.

You have joined an organization that has established an outstanding reputation for quality service. Credit for this goes to everyone in the organization. We hope you, too, will find satisfaction and take pride in your work here. As a member of the MCFLS team, you will be expected to contribute your talents and energies to further improve the environment and quality of the organization.

This employment handbook may provide answers to many of the questions you may have about MCFLS policies, procedures, and benefit programs. You are responsible for reading and understanding the handbook. If anything is unclear, please discuss the matter with the Business Manager.

I extend to you my personal best wishes for your success and happiness at Milwaukee County Federated Library System.

Sincerely,



Steve Heser  
Director, Milwaukee County Federated Library System

### 1.2 MCFLS Mission

MCFLS provides collaborative leadership, advocacy, and support for high-quality resources and services to empower the capabilities and capacities of member libraries to deliver responsive and innovative library services to all residents of Milwaukee County. In addition, MCFLS shall take a leadership role in assisting member libraries in making effective use of current and evolving technologies to improve patron access to library materials and information.

### 1.3 Changes in Policy / Handbook

This handbook supersedes all previous MCFLS employee handbooks and work rules.

While every effort is made to keep the contents of this document current, MCFLS reserves the right to modify, suspend, or terminate any of the policies, procedures, and/or benefits described in the manual with or without prior notice to employees.

It is recognized that the relationship between the employees of MCFLS and the Board of Trustees is determined by this Employment Manual as adopted by the Board of Trustees.

## 2 EMPLOYEE DEFINITION AND STATUS

An "employee" of MCFLS is a person who regularly works for MCFLS on a wage or salary basis.

### 2.1 Employment Classification

Every employee is assigned an employment status classification: regular full-time or regular part-time.

Regular full-time: Employees who have successfully completed their probationary period and who work at least 40 hours per week are considered regular full-time employees. If someone was a regular full-time employee and has been on an approved leave of absence, upon return he/she is considered a regular full-time employee, provided he/she returns to work as agreed in the provisions of his/her leave.

Regular part-time: Employees who work less than 40 hours per week are considered regular part-time employees. A regular part-time employee is most likely eligible for benefits described in this employee handbook on a pro-rated basis, ~~or~~ to the extent required by provision of state and federal laws, or as per contract via benefit providers.

### 2.2 Probationary Period for New Employees

The first twelve months of employment for management staff and first six months of employment for non-management staff at MCFLS are considered a probationary period. During that period employees will be eligible for benefits described in this Employment Handbook unless otherwise required by law. This probationary period will be a time for getting to know your fellow employees, the tasks involved in your job position, and MCFLS' products and services. Your supervisor will work closely with you to help you understand the needs and processes of your job.

This probationary period is a "getting acquainted" time for both you, as an employee, and MCFLS, as an employer. During this probationary period, your supervisor will discuss your job performance with you. MCFLS will evaluate your suitability for employment, and you can evaluate MCFLS as well. Please understand, however, that completion of the probationary period does not guarantee continued employment, as employment is always at-will. You are free to terminate your employment at any time, with or without reason, and MCFLS may choose to terminate your employment at any time, with or without reason.



### **3 EMPLOYMENT POLICIES**

#### **3.1 Equal Employment Opportunity**

MCFLS is an equal employment opportunity employer. Employment decisions are based on merit and business needs, and not on race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law. MCFLS complies with the law regarding reasonable accommodation for handicapped and disabled employees.

Equal employment opportunity notices are posted in the break area as required by law. These notices summarize the rights of employees to equal opportunity in employment and list the names and addresses of the various government agencies that may be contacted in the event that any person believes he or she has been discriminated against.

The MCFLS Director is primarily responsible for seeing that MCFLS' equal employment opportunity policies are implemented, but all members of the staff share in the responsibility for assuring that by their personal actions the policies are effective and apply uniformly to everyone.

All employees involved in discriminatory practices will be subject to termination.

#### **3.2 Affirmative Action/Diversity**

MCFLS is committed to affirmative actions that will build on the strengths of our current workforce and continually enhance the diversity of our organization.

#### **3.3 Americans with Disabilities Act**

It is the policy of MCFLS to comply with all the relevant and applicable provisions of the Americans with Disabilities Act (ADA). MCFLS will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability.

MCFLS will also make reasonable accommodation wherever necessary for all employees or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the essential duties and assignments connected with the job and provided that any accommodations made do not impose an undue hardship on MCFLS.

#### **3.4 Immigration Law Compliance**

All offers of employment are contingent on verification of an employee's right to work in the United States. On your first day of work you will be asked to provide original documents verifying your right to work and, as required by federal law, to sign Federal Form I-9, Employment Eligibility Verification Form. If you at any time cannot verify your

---

MCFLS Employment Handbook

---

right to work in the United States, MCFLS may be obligated to terminate your employment

### **3.5 Employee Background Check**

Prior to making an offer of employment, MCFLS may conduct a job-related background check. A comprehensive background check may consist of prior employment verification, professional reference checks, education confirmation, and credit check.

### **3.6 Criminal Records**

When appropriate, a criminal record check is performed to protect the interests of MCFLS and that of its employees and clients.

### **3.7 Anniversary Date**

The first day you report to work is your "official" anniversary date. Your anniversary date is used to compute various conditions and benefits described in this employee handbook.

### **3.8 New Employee Orientation**

On your first working day, you will be asked to complete employment paperwork. You will be introduced to the entire MCFLS staff. Please feel free to ask your colleagues any questions not answered during your orientation.

### **3.9 Personnel Records and Administration**

The task of handling personnel records and related personnel administration functions at MCFLS has been assigned to the Business Manager. Records with regard to medical issues are retained in separate files.

Your personnel file consists of your name, title, salary, changes in status, annual performance reviews, and other pertinent information as may be necessary for effective personnel administration and for compliance with the Occupational Safety and Health Act and the Americans with Disabilities Act.

You may see information that is kept in your own personnel file not more than twice in any calendar year according to the procedure approved by the System Board. Information such as your name, address, classification and salary is available for public inspection on a case-by-case basis. All other information is considered confidential, and will be available only to you or your designee, MCFLS Director, Business Manager, your immediate supervisor, the MCFLS Board President, and the Chair of the Finance & Personnel Committee. In the event there is a public records request for any of your personnel records in addition to the information noted above in this paragraph, you will be notified of your opportunity to oppose such a request. The official custodian of the records, however, will make the final determination of what may be supplied upon a

---

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 15

---

MCFLS Employment Handbook

---

public records request.

All medical records, if any, will be kept in a separate confidential file. MCFLS maintains this information in the strictest confidence and may not use or disclose medical information about an employee without the employee first having signed an authorization form permitting such use or disclosure.

### 3.10 Change of Personal Data

Keeping your personnel file up-to-date can be important to you with regard to pay, deductions, benefits and other matters. Any change in any of the following items needs to be reported without delay to the Business Manager: legal name, address, telephone number, number of dependents, marital status, change in the number of tax withholding exemptions, person to call in an emergency, training certificates, and professional licenses.

### 3.11 Safety

MCFLS is committed to the safety and health of all employees and recognizes the need to comply with regulations governing injury and accident prevention and employee safety. Maintaining a safe work environment, however, requires the continuous cooperation of all employees.

MCFLS will maintain safety and health practices consistent with the needs of our operations. If you are ever in doubt about how to safely perform a job, it is your responsibility to ask your supervisor for assistance. Any suspected unsafe conditions and all injuries that occur on the job must be reported immediately. Compliance with these safety rules is considered a condition of employment. Therefore, it is a requirement that each manager make the safety of employees an integral part of his/her regular management functions. It is the responsibility of each employee to accept and follow established safety regulations and procedures.

MCFLS strongly encourages you to communicate with your supervisor regarding safety issues.

MCFLS may exercise its right to inspect all packages and parcels entering and leaving our premises.

Safety is everybody's business. Safety is to be given primary importance in every aspect of planning and performing all MCFLS activities. We want to protect you against occupational injury and illness, as well as minimize the potential loss of performance.

Below are some general safety rules to assist you in making safety a regular part of your work.

1. Safety is everyone's responsibility. Remind your co-workers about safe work methods. Immediately report any suspected hazards and all accidents to the MCFLS Director.
2. Lifting - Ask for assistance when lifting heavy objects or moving heavy furniture. Bend your knees, get a firm grip on the object, hold it close to your body and

MCFLS Employment Handbook

space your feet for good balance. Lift using your stronger leg muscles, not your weaker back muscles.

3. Materials handling -Do not throw objects. Always carry or pass them. Use flammable items, such as cleaning fluids, with caution. Also, stack materials only to safe heights.
4. Trash Disposal - Keep sharp objects and dangerous substances out of the trash can. Items that require special handling should be disposed of in approved containers.
5. Cleaning Up- To prevent slips and tripping, clean up spills and pick up debris immediately. It is also important to keep work and break areas clean so not to lure insects and animals.
6. Work area - Keep cabinet doors and file and desk drawers closed when not in use. Remove or pad torn, sharp corners and edges. Open only one drawer at a time.
7. Electrical Hazards - Do not stand on a wet floor while using any electrical apparatus. Keep extension cords in good repair. Don't make unauthorized connections or repairs. Do not overload outlets.
8. Weapons - MCFLS believes it is important to establish a clear policy that addresses weapons in the workplace. Specifically, MCFLS prohibits all persons who enter System property from carrying a handgun, firearm, knife, or other prohibited weapon of any kind regardless of whether the person is licensed to carry the weapon or not. In addition, employees observe this policy and any policy developed by any employer or property owner at any alternative site visited for MCFLS business and while on work time.

### 3.12 Fire Prevention and Steps to Follow In Case of Fire

Know the location of the fire extinguisher(s) in your area and make sure they are kept clear at all times. Notify your supervisor if an extinguisher is used or if the seal is broken. Keep in mind that extinguishers that are rated ABC can be used for paper, wood, or electrical fires. Make sure all flammable liquids, such as alcohol, are stored in approved and appropriately labeled safety cans and are not exposed to any ignition source.

In case of fire, evaluate the situation quickly to determine if evacuation is necessary, or if you can fight the fire using an extinguisher.

If evacuation is necessary, the following things should happen:

1. Someone will activate the fire alarm.
2. Evacuation of the building will begin.
3. The MPL Operator will call the fire department.
4. Warn co-workers in immediate area of fire.

MCFLS Employment Handbook

5. Designated staff that have been appointed by their supervisor will make sure all staff on duty will evacuate the building.
6. Elevators are not to be used. They will be brought to the first floor and locked in an open position.
7. Vital information for the Fire Department will be relayed by the library maintenance/security staff, to include locations of injured and handicapped people, mechanical information and knowledge of what fire problem may exist.
8. Gathering point will be northeast corner of Eighth and Wells. Office staff will walk down towards the sorting room and all staff will proceed to exit out the Ninth Street door.
9. The Business Manager will notify the MPL staff member holding the red flag that all MCFLS staff are out of the building and accounted for.
10. When the "All Clear" is given by the Fire Department, staff will be allowed back into the building through the Eighth Street door; after all staff have been given ample time to return to their respective work areas, then the public will be allowed back into the building.

### 3.13 Building Security

Maintaining the security of MCFLS work areas ~~and vehicles~~ is every employee's responsibility. Develop habits that insure security as a matter of course. For example:

- Always keep cash properly secured. If you are aware that cash is insecurely stored, immediately inform the person responsible.
- Know the location of all alarms and fire extinguishers, and familiarize yourself with the proper procedure for using them, should the need arise.
- When you leave MCFLS' premises at closing time, make sure all entrances are properly locked and secured.

Employees are not allowed on MCFLS property after hours without prior authorization from their supervisor. MPL Facilities department personnel must also be notified in advance.

### 3.14 Personal Property

Persons seeking information about lost or found property may do so by contacting Milwaukee Public Library's lost and found department, located at the Wisconsin Avenue Checkout Desk. MCFLS assumes no risk for any loss or damage to personal property and recommends that all employees have personal insurance policies covering the loss of personal property left at MCFLS.

### 3.15 Health-related Issues

Employees who become aware of any health-related issue should notify their supervisor and MCFLS Business Manager of health status as soon as possible.

### 3.16 Employee Requiring Medical Attention

Any employee who is injured while on duty, regardless of severity, is required to report the incident as soon as practicable to his/her immediate supervisor. Bodily injury or disease sustained while performing within the scope of employment is compensable as determined relative to the Wisconsin Worker's Compensation Act. It is a serious offense to collect compensation through a false claim of a job related injury. A false claim may be made the basis for disciplinary action up to and including dismissal and may subject the violator to criminal charges.

As soon as the injury/illness is reported, the supervisor, depending upon the extent of the injury, will immediately arrange for the injured employee to receive required medical care including being taken to a hospital if necessary. First aid kits are provided in work areas for employees. They are to be used only until adequate medical attention can be obtained. The supervisor will then question the employee and all witnesses regarding the cause and circumstances of the injury. The supervisor will investigate the cause of the incident to determine corrective action to be taken in order to avoid further injury. The supervisor will prepare the written report giving details and circumstances surrounding the injury or illness.

### 3.17 Visitors in the Workplace

For safety, insurance, and other business considerations, only authorized visitors are allowed in the workplace. When making arrangements for visitors, employees should request that visitors enter through the main reception area and check-in and check-out at the front desk with a manager.

### 3.18 Employment of Relatives

For the purposes of this policy, relative means a person having once-or-twice-removed blood or marriage ties, i.e. spouse, mother, father, brother, sister, son, daughter, nephew, niece, grandson, grand-daughter, aunt and uncle. Relatives of current employees may not be hired into or occupy a position that will be working directly for or supervising their relative. The hiring of relatives within MCFLS is not recommended even where there is no direct reporting relationship between relatives. Hiring of relatives may cause conflicts and problems with issues of perceived favoritism and employee morale.

### 3.19 Weather-related and Emergency-related Closings

In the event of severe weather conditions or other emergencies, the Director of MCFLS may decide to close the facility for the remainder of the day. As such, your direct

---

MCFLS Employment Handbook

---

supervisor, Business Manager or MCFLS Director will notify you as soon as possible. An employee will be allowed to make up time lost due to inclement weather closings or may use accumulated vacation, or may take the time off without pay.

If an employee decides to miss a normally scheduled day of work because of severe weather or hazardous travel conditions, the employee has the option of taking accumulated vacation, taking the day without pay, or making up the time in the current pay period.

At times, emergencies such as severe weather, fires, or power failures can result in the Milwaukee Public Central Library being closed. In such instances, the MCFLS Director will decide to close MCFLS based on the Milwaukee Public Library decision.

### 3.20 Residency

There is no MCFLS residency requirement.

---

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 20

## 4 COMPLAINT PROCEDURE – DISCIPLINE AND WORKPLACE SAFETY

The following policy is intended to comply with Sec. 66.0509 (1m) Wis. Stats. relating to appeals of discipline and safety issues. MCFLS seeks to promptly address and resolve complaints. MCFLS reserves the right to determine whether a complaint appropriately falls within the scope of this policy.

### 4.1 Definitions

Complaint - any complaint regarding the discipline or workplace safety as defined in this policy

Discipline – shall include written discipline (oral reprimand, written reprimand, suspension, disciplinary termination) submitted to an employee's personnel file.

Discipline under this policy shall not include

- voluntary termination
- retirement
- layoff or failure to be recalled from layoff
- termination due to lack of work or position elimination
- medical inability to perform the functions of the position
- actions taken to address work performance including providing guidance or counseling, a performance improvement plan, incident/observation reports or adverse performance evaluation.

Workplace safety – conditions of employment relating to safety of the complainant's physical work environment, tools and equipment, protective equipment, and state, federal and regulatory body training and warning requirements. This complaint procedure does not apply to an appeal of a determination by a state or federal agency or regulatory body relating to workplace safety involving a MCFLS employee. This policy applies when a MCFLS employee ("complainant" as defined below) believes that he or she has been subjected to discipline or subject to unsafe working conditions as defined provided that at least a substantial portion of the alleged wrongful behavior occurred on MCFLS controlled, leased or owned property, or otherwise had a significant connection to the employment of the individual complainant and the activities of MCFLS

MCFLS Complainant – an employee of MCFLS who has a personal complaint as defined in this policy. At MCFLS' discretion, personal and individual written complaints with the same or sufficiently similar underlying facts and policy issues may be combined at any step in the proceeding.

### 4.2 Complaint Procedure - Steps

**Step 1.** An employee who has a complaint shall first present the complaint orally to the MCFLS Director within ten (10) working days of either the occurrence of the incident leading to the complaint or the employee's knowledge of such incident, whichever is later.

**Step 2.** If the complaint is not settled at Step 1, it shall be reduced to writing and presented to the MCFLS Director within ten (10) working days of either the completion of Step 1 or the employee's knowledge of the completion of Step 1, whichever is later. Within five (5) working days of his/her receipt of the written complaint initiation, the MCFLS Director shall furnish the employee with a written answer to the complaint.

**Step 3.** If a complaint is not settled at Step 2, the complainant may appeal the decision



---

MCFLS Employment Handbook

---

to the Impartial Hearing Officer (IHO) designated by MCFLS. The complainant must provide written notice to the MCFLS Board within five (5) days of the decision in Step 2.

The MCFLS Board will secure an IHO within thirty (30) days of receipt of the written appeal. If this is not possible within this time frame, he or she will notify the complainant. MCFLS will pay for the cost of the IHO.

The IHO may require that MCFLS and the complainant provide pre-hearing statements to the IHO and the other party, providing the names of witnesses and the nature of their anticipated testimony.

The hearing before the IHO will be held within thirty (30) days of the selection of the IHO. If this timeframe is not possible, the IHO will notify the MCFLS Board and the complainant. A transcript will be prepared for each hearing, and the parties shall share costs equally. The hearing will be conducted according to procedures established by MCFLS in advance.

The IHO shall provide a written decision to the parties within thirty (30) days of the hearing. The IHO's decision shall be based on the preponderance of the evidence and whether a rational basis exists to support the decision of MCFLS at Step 2.

The IHO's decision shall be limited to denial of the complaint, granting the complaint, or remanding the complaint to the MCFLS Director for additional proceedings. The IHO's decision shall be limited to the precise issue raised in the complaint at the time of the appeal to the IHO under the terms of the applicable MCFLS policy. The IHO shall have no authority to add to, modify or delete from the policies of MCFLS.

**Step 4.** If a complaint is not settled in Step 3, the MCFLS Director on behalf of MCFLS or the complainant may, within five (5) days, appeal the decision of the IHO by filing a written appeal with the MCFLS Board President. If requested by the appealing party, the Board shall schedule a meeting to review the record and the decision of the IHO. This meeting shall occur within thirty (30) days after the appeal or the receipt of the transcript, whichever is later. The meeting will be conducted according to procedures established by the Board in advance.

If a meeting is requested, the complainant and the MCFLS Director have the opportunity to meet with the Board to explain the complaint, review the proceedings before the IHO and to state their respective positions on the complaint. Neither the complainant nor the MCFLS Director may present additional witnesses, nor may either party question individual Board members.

If a meeting is not requested the Board shall review the record and the evidence from the hearing before the IHO and the decision of the IHO. No new evidence may be offered in this step of the procedure.

Within fifteen (15) days after the meeting, if one is held, or within thirty (30) days of the receipt of the appeal, the Board shall issue a written decision regarding the complaint. The decision shall be by simple majority of the full Board. The Board's decision shall be based on the preponderance of the evidence and whether a rational basis exists to support the decision of the IHO.

The Board's decision shall be limited to the granting or denial of the complaint or remanding the complaint to the IHO for additional proceedings. The Board's decision shall be limited to the precise issue raised in the complaint and the relevant MCFLS policies and shall be final and binding.

### 4.3 Procedural Requirements

**Timeline Requirements** – The parties agree to follow each step of the procedure outlined in this policy. If the MCFLS Director fails to give a written answer at Step 1 within the time limit, the Complainant may immediately appeal to the next step. Complaints not processed by the next step within the prescribed time limits shall be considered dropped. However, if it is impossible to comply with the time limits specified in the procedure because of work schedules, illness, vacations, etc., these limits may be extended by mutual consent in writing.

**Dispute Statement and Remedy** – The written signed complaint shall give a clear and concise statement of the alleged complaint including the facts upon which a complaint is based, the issue involved, the specific policies alleged to have been violated if any, the supervisor's name and date of the informal conversation to resolve the complaint, and the relief sought. At each stage in the appeal process the appealing party must state the reason(s) why the appealing party disagrees with the action or decision. The written complaint may not be amended following the decision at Step 1, the remedy requested may be modified at any time without prejudice to the complainant's position in the appeal.

**Representation** – MCFLS or the complainant may use one designated representative at their own expense to assist in processing the complaint at any step. The representative must be identified at least three (3) days in advance of the proceeding.

**Information** – MCFLS shall provide complainant and the complainant's representative, if any, with access to copies of relevant MCFLS policies, upon request.

### 4.4 Restrictions

Neither the complainant nor MCFLS shall arbitrarily delay action of the complaint procedure.

All procedures and hearings shall be closed session unless the matter is related to discipline and the complainant specifically requests that any hearing before the Board be held in open session.

All participants in all hearings under this policy will observe confidentiality to the extent reasonably possible. However, in the event of a breach of confidentiality, the MCFLS Board will take appropriate action.

MCFLS may also use the information obtained in the proceedings to defend itself against any claims. Complaints or allegations brought against it or as may be required by law.

MCFLS shall not be restricted in its right to designate the person to handle complaint proceedings at any step in lieu of the individual designated in this policy.

### 4.5 No Retaliation

**No Retaliation** – No person shall be subjected to any form of retaliation for having used or assisted others in the use of the complaint process.

## **5 STANDARDS OF CONDUCT**

### **5.1 General Guidelines**

All employees are urged to become familiar with MCFLS rules and standards of conduct and are expected to follow these rules and standards faithfully in doing their own jobs and conducting MCFLS business.

### **5.2 Attendance and Punctuality**

Employees are expected to be at work and prepared for work at their normal starting time and to remain until quitting time. In order to properly provide adequate public service, maintain work schedules, and meet statutory deadlines regulating MCFLS operations, regular and punctual attendance is required of all employees.

### **5.3 Work Schedule**

MCFLS employees are scheduled to work Monday – Friday. Except in rare cases, employees do not work weekend hours, and only with approval by the MCFLS Director.

Office hours vary among employee with some employees beginning work as early as 6:30 am and some staying as late as early evening. Hours worked by employees are somewhat flexible and ultimately based of what best serves the needs of MCFLS and our member libraries.

### **5.4 Telecommuting Policy and Procedures**

#### **Objective**

Telecommuting allows employees to work at home, on the road or in a satellite location for all or part of their workweek. The Milwaukee County Federated Library System considers telecommuting to be a viable, flexible work option when both the employee and the job are suited to such an arrangement. Telecommuting may be appropriate for some employees and jobs but not for others.

In order to work from home, an employee must:

1. Be accessible during their regularly scheduled work day via IM, email, and/or telephone;
2. Have similar work hours as the regularly scheduled work day. Any variations must be approved in advance by the MCFLS Director and must consider service implications to member libraries and other system staff;
3. Be able to complete job duties, either remotely or having brought work home;

---

MCFLS Employment Handbook

---

4. Schedule work days from home with Director approval; or
5. In the event that working from home was unplanned or short-notice (e.g. snowed in, broken refrigerator and repair person coming in, etc.) employee must contact Director for approval remotely and prepare to report back on work/projects completed;
6. If the employee calls in sick, sick time must be used for that day. Employees are also prohibited from working remotely during leaves of absence without prior approval.

Any extended telecommuting arrangement made will be on a trial basis for the first three months and may be discontinued at will and at any time at the request of either the telecommuter or the system. Every effort will be made to provide 30 days' notice of such change to accommodate commuting, child care and other issues that may arise from the termination of a telecommuting arrangement. There may be instances, however, when no notice is possible.

#### Eligibility

Before entering into any telecommuting agreement, the employee and MCFLS Director, with the assistance of the Business Manager, will evaluate the suitability of such an arrangement, reviewing the following areas:

- Employee suitability. The employee and MCFLS Director will assess the needs and work habits of the employee. For more information, refer to the **Employee Suitability** section below.
- Job responsibilities. The employee and MCFLS Director will discuss the job responsibilities and determine if the job is appropriate for a telecommuting arrangement. For more information, refer to the **Job Responsibilities** section below.
- Equipment needs, workspace design considerations and scheduling issues. The employee and MCFLS Director will review the physical workspace needs and the appropriate location for the telework. For more information, refer to the **Maintenance, Repair and Replacement of Equipment** section below.
- Tax and other legal implications. The employee must determine any tax or legal implications under IRS, state and local government laws, and/or restrictions of working out of a home-based office. Responsibility for fulfilling all obligations in this area rests solely with the employee.

If the employee and MCFLS Director agree, a draft telecommuting agreement will be prepared and signed by all parties, and a three-month trial period will commence. Evaluation of telecommuter performance during the trial period will include regular remote interactions between the employee and the MCFLS Director, and face to face meetings, as necessary. At the end of the trial period, the employee and MCFLS Director will each complete an evaluation of the arrangement and make recommendations for continuance or modifications. Evaluation of telecommuter performance beyond the trial period will be consistent with that received by employees working at the office in both content and frequency but will focus on work output and completion of objectives rather than on time-based performance.

An appropriate level of communication between the telecommuter and supervisor will be agreed to as part of the discussion process and will be at a level consistent with employees working at the office or in a manner and frequency that is appropriate for the job and the individuals involved.

---

MCFLS Employment Handbook

---

### **Implementation Terms**

- Any telecommuting arrangement must be approved by the MCFLS Director and terms agreed to by employee and system within the telecommuting agreement.
- Telecommuting used as a transitional work program to aid an employee's return to work from disability will be administered consistent with existing policies and laws.
- Telecommuting may not be used as a substitute for child or home health care.
- Employees must follow MCFLS policies and procedures while telecommuting.
- Employees may be provided with MCFLS-owned equipment and software to access the MCFLS network.
- Employees are responsible for providing an appropriate home work space.

MCFLS is not responsible for the following work-from-home expenses:

- Internet access costs
- Utility costs associated with use of the computer or occupation of the home.
- Employee-purchased office supplies. Employees should obtain office supplies from the MCFLS Headquarters.

### **Employee Suitability**

MCFLS recognizes that telecommuting may not be a viable work option for all employees. Telecommuting should be offered only to employees who have successfully completed their orientation period, whose performance is satisfactory, who work effectively with minimal supervision, who can maintain a safe and ergonomically sound home work area, free from distractions. Telecommuting employees should have high-speed internet access, be reachable by phone, and hold homeowner or renter insurance, including liability insurance for third party claims and other damages unrelated to any work done for MCFLS. A successful telecommuter should reliably and responsibly complete work duties, understand job duties fully, be trustworthy, and have the ability to establish priorities and demonstrate effective time management habits.

### **Job Responsibilities**

Not all positions may be compatible with telecommuting. In order to determine if a MCFLS position is compatible, the following will be considered:

- Percentage of job duties that may be performed off-site without disruption to work flow and communication.
- Whether tasks may be completed independent of other employees or, for shared tasks, that the work can be equitably split so that telecommuting schedules do not require in-office staff to do the telecommuter's work.
- Whether the position has a MCFLS extension and voicemail account for member libraries to contact the employee when telecommuting.

MCFLS Employment Handbook

### Scheduling

All approved telecommuting schedules require the MCFLS Director's approval and the terms agreed to by employee and system within the telecommuting agreement. Service to member libraries takes precedence over telecommuting. An employee must forego telecommuting if needed at MCFLS Headquarters. The MCFLS Director may approve single days on an ad-hoc basis due to temporary conditions such as inclement weather.

### Maintenance, Repair and Replacement of Equipment

MCFLS is responsible for maintaining MCFLS-owned equipment issued to telecommuting employees. The employee must notify the MCFLS Director in the event of the malfunction of MCFLS-owned equipment. The Milwaukee County Federated Library System reserves the right to make determinations as to appropriate equipment, subject to change at any time.

The employee is responsible for maintaining and repairing employee-owned equipment at personal expense and on personal time.

### Health and Safety

Telecommuting employees are responsible for creating a space in their home for work. This space must be ergonomically sound, clean, safe and free from obstructions and hazardous materials.

If a telecommuting employee incurs a work-related injury while telecommuting, worker's compensation law and rules apply. Employees must notify the MCFLS Director and complete all required paperwork regarding the injury.

## 5.5 Absence and Lateness

From time to time, it may be necessary for an employee to be late or absent from work. MCFLS is aware that emergencies, illnesses, or pressing personal business that cannot be scheduled outside work hours may arise. It is the responsibility of all employees to contact all affected parties if they will be absent or late.

It is a breach of discipline for any employee to be absent without leave and without immediately seeking permission and giving a proper satisfactory explanation to his/her supervisor, Business Manager, or MCFLS Director (provided such communication is physically possible) and any such absence without leave regardless of its length, may be made the basis of disciplinary action. No employee has the right to take a leave of absence at his/her own discretion.

Employees are expected to contact the MCFLS Director, ~~or Business Manager~~ or their immediate supervisor daily unless the original notification specifically covers several days, in which case no other notification is required until the date not covered by the original notice. Absences are to be reported to the MCFLS Director, ~~or Business Manager~~ or immediate supervisor directly before the start of the workday. If the MCFLS Director, ~~or Business Manager~~ or immediate supervisor is not immediately available, the employee answering the telephone will take the message and report it to the MCFLS Director, Business Manager or immediate supervisor. ~~MCFLS Director or Business Manager~~ at the earliest time possible. The MCFLS Director, Business Manager or immediate supervisor ~~MCFLS Director or Business Manager~~ may call the employee if additional information is needed. Failure to report is considered absence without leave unless the MCFLS Director,

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 27

---

MCFLS Employment Handbook

---

~~Business Manager or immediate supervisor~~ ~~MCFLS Director or Business Manager~~ receives appropriate justification for failure to report.

## 5.6 Meal and Break Periods

If you are scheduled for more than six hours you are required to take an unpaid lunch period. Lunch periods should be taken for no less than one half hour ~~or no longer than one hour~~. Lunch periods are normally taken about halfway through a shift, for example, between 11:00 a.m. and 2:30 p.m. if working a normal day shift.

You are entitled to a 15-minute break period for each four hours of scheduled work. Normally your breaks will be scheduled after the first hour of work and prior to the last hour of your scheduled shift. Breaks may not be taken at the start or end of your shift, joined together to make one 30-minute period or used to make up lost time. Break periods may be taken outside the MCFLS work area. Supervisors may request that employees not take break periods when service needs are too demanding.

For your convenience and comfort, the System has a designated break area. This area is for everyone's use. It is your responsibility to do your share in keeping this area clean and sanitary. Staff should feel free to use the refrigerator, microwave oven, and any other equipment available.

## 5.7 Harassment Policy

MCFLS intends to provide a work environment that is pleasant, professional, and free from intimidation, hostility or other offenses, which might interfere with work performance. Harassment of any sort – verbal, physical, visual – will not be tolerated, particularly against employees in protected classes. These classes include, but are not necessarily limited to race, color, religion, sex, age, sexual orientation, national origin or ancestry, disability, medical condition, marital status, veteran status, or any other protected status defined by law. MCFLS prohibits harassment of its employees in any form—by supervisors, co-workers, customers, or suppliers.

Such conduct may result in disciplinary action up to and including dismissal of the employee who harasses others. With respect to non-employees, offending customers and suppliers will be asked to leave and not to return.

Workplace harassment can take many forms. It may be, but is not limited to, words, signs, offensive jokes, cartoons, pictures, posters, e-mail jokes or statements, pranks, intimidation, physical assaults or contact, or violence. Harassment is not necessarily sexual in nature. It may also take the form of other vocal activity including derogatory statements not directed to the targeted individual but taking place within their hearing. Other prohibited conduct includes written material such as notes, photographs, cartoons, articles of a harassing or offensive nature, and taking retaliatory action against an employee for discussing or making a harassment complaint.

## 5.8 Sexual Harassment Policy

MCFLS does not tolerate sexual harassment. Sexual harassment may include unwelcome sexual advances, requests for sexual favors, or other verbal or physical contact of a sexual nature when such conduct creates an offensive, hostile and intimidating working environment and prevents an individual from effectively performing the duties of their position. It also encompasses such conduct when it is made a term or condition of employment or compensation, either implicitly or explicitly, and when an employment decision is based on an individual's acceptance or rejection of such conduct.

## 5.9 Reporting Harassment

All MCFLS employees have a responsibility for keeping our work environment free of harassment. Any employee, who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, must report it to their immediate supervisor, Business Manager, or MCFLS Director. The offended employee may contact the Chair of the MCFLS Finance & Personnel Committee only if the complaint is against the MCFLS Director. When management becomes aware of the existence of harassment, it is obligated by law to take prompt and appropriate action, whether or not the victim wants the System to do so.

While MCFLS encourages you to communicate directly with the alleged harasser, and make it clear that the harasser's behavior is unacceptable, offensive or inappropriate, it is not required that you do so. If your supervisor is the alleged harasser, please report the harassment to the MCFLS Director. It is essential, however, to notify your supervisor, Business Manager, or MCFLS Director immediately even if you are not sure the offending behavior is considered harassment. Any incidents of harassment from employees, customers, or suppliers must be immediately reported to the MCFLS Director, or the Board President if the complaint involves the MCFLS Director. Appropriate investigation and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. However, confidentiality cannot be guaranteed. Any employee found to have harassed a fellow employee or subordinate will be subject to severe disciplinary action up to and including termination. MCFLS will also take any additional action necessary to appropriately remedy the situation. Retaliation of any sort will not be permitted. No adverse employment action will be taken for any employee making a good faith report of alleged harassment. However, willfully false statements or willfully false allegations made by any individual will not be tolerated, and will result in disciplinary action, which may include termination.

## 5.10 Violence in the Workplace

MCFLS has adopted a policy prohibiting workplace violence. Consistent with this policy, acts or threats of physical violence, including intimidation, harassment, and/or coercion, which involve or affect MCFLS or which occur on MCFLS premises or client property will not be tolerated.

Acts or threats of violence include conduct that is sufficiently severe, offensive, or intimidating to alter the employment conditions at MCFLS, or to create a hostile, abusive, or intimidating work environment for one or several employees. Examples of workplace violence include, but are not limited to, the following:



---

MCFLS Employment Handbook

---

1. All threats or acts of violence occurring on MCFLS' premises, regardless of the relationship between MCFLS and the parties involved.
2. All threats or acts of violence occurring off MCFLS' premises involving someone who is acting in the capacity of a representative of MCFLS.

Specific examples of conduct that may be considered threats or acts of violence include, but are not limited to, the following:

1. Hitting or shoving an individual.
2. Threatening an individual or his/her family, friends, associates, or property with harm.
3. Intentional destruction or threatening to destroy MCFLS' property.
4. Making harassing or threatening phone calls.
5. Harassing surveillance or stalking (following or watching someone).
6. Unauthorized possession or use of firearms or weapons.
7. Please also refer to the provisions in 3.11 Safety, 8, relative to weapons.

The MCFLS prohibition against threats and acts of violence applies to all persons involved in MCFLS' operation, including but not limited to personnel, contract, and anyone else on MCFLS premises. Violations of this policy by any individual on MCFLS property will lead to disciplinary action, up to and including termination and/or legal action as appropriate.

Every employee is encouraged to report incidents of threats or acts of physical violence of which she/he is aware. The report should be made to your supervisor or MCFLS Director.

### 5.11 Confidential Information and Nondisclosure

At the time of employment and while continuing employment with MCFLS, employees sign and agree to a Confidentiality Agreement, which generally provides that the employee will not disclose or use any MCFLS confidential information, either during or after your employment. We sincerely hope that our relationship with an employee will be long-term and mutually rewarding. However, employment with MCFLS assumes an obligation to maintain confidentiality, even after the employee leaves our employ.

Additionally, our customers and suppliers entrust MCFLS with important information. The nature of this relationship requires maintenance of confidentiality. In safeguarding the information received, MCFLS earns the respect and further trust of our customers and suppliers.

If someone questions you outside the library system and you are concerned about the appropriateness of giving him or her certain information, you are not required to answer. Instead, as politely as possible, refer the request to your supervisor.

---

MCFLS Employment Handbook

---

No one is permitted to remove or make copies of any MCFLS records, report or documents without prior management approval. Disclosure of confidential information could lead to termination, as well as other possible legal action.

## 5.12 Ethical Standards

MCFLS insists on the highest ethical standards in conducting its business. Doing the right thing and acting with integrity are the two driving forces behind MCFLS' great success story. When faced with ethical issues, employees are expected to make the right professional decision consistent with MCFLS' principles and standards.

The success of MCFLS depends upon the quality of the relationships between MCFLS, our employees, customers, and the general public. Our customers' impression of MCFLS and their interest and willingness to support us is greatly formed by the people who serve them. In a sense, regardless of your position, you are MCFLS' ambassador. The more goodwill you promote, the more our customers will respect and appreciate you, MCFLS and MCFLS' services.

There are several things you can do to help give customers a good impression of MCFLS. These are the building blocks for our continued success.

1. Act competently and deal with customers in a courteous and respectful manner.
2. Communicate pleasantly and respectfully with other employees at all times.
3. Follow up on orders and questions promptly, provide businesslike replies to inquiries and requests, and perform all duties in an orderly manner.
4. Take great pride in your work and enjoy doing your very best.

These policies apply to all areas of employment, including recruitment, hiring, training and development, promotion, transfer, termination, layoff, compensation benefits, social and recreation programs, and all other conditions and privileges of employment in accordance with applicable federal, state, and local laws.

## 5.13 Dress Code and Personal Appearance

Employees are expected to dress and groom themselves in accordance with accepted social and business standards, particularly if your job involves dealing with customers or visitors in person.

A neat, tasteful appearance contributes to the positive impression you make on our customers. You are expected to be suitably attired and groomed during working hours or when representing MCFLS. A good, clean appearance bolsters your own poise and self-confidence and greatly enhances our System image. Personal appearance should be a matter of concern for each employee. If your supervisor feels your attire and/or grooming is out of place, you may be asked to leave your workplace until you are properly attired and/or groomed. Employees who violate dress code standards may be subject to appropriate disciplinary action.

## 5.14 Use of Equipment

MCFLS will provide employees with the equipment needed to do their job. None of this equipment should be used for personal use, nor removed from the physical confines of MCFLS -unless it is approved for a job that specifically requires use of MCFLS equipment outside the physical facility.

## 5.15 Use of Personal Vehicles for System Business

It may be necessary at times to use personal vehicles to conduct system business for meetings, conferences or other system business. In those circumstances where use of personal vehicles for MCFLS business is necessary, MCFLS staff are required to have a valid driver's license and personal insurance to cover the costs of accidents. If personal insurance is exhausted as a result of an incident, MCFLS insurance coverage will be utilized to cover some or all of the remaining costs.

MCFLS will not pay for any auto repairs while the vehicle is being used on company business.

Reimbursement for mileage expenses incurred while on system business will be done at the current federal rate per mile.

## 5.16 Use of Computer, Phone, and Electronic Mail (E-Mail)

MCFLS property, including computers, phones, electronic mail, and voice mail, should be used only for conducting System business. Incidental and occasional personal use of company computers, phones, or electronic mail and voice mail systems is permitted, but information and messages stored in these systems will be treated no differently from other System-related information and messages.

The use of the electronic mail (E-Mail) system may not be used to solicit for commercial ventures, religious or political causes, outside organizations, or other non-job related solicitations. Furthermore, the E-mail system is not to be used to create any offensive or disruptive messages. Among those which are considered offensive, are any messages which contain sexual implications, racial slurs, gender-specific comments, or any other comments that offensively address someone's age, sexual orientation, religious or political beliefs, national origin, or disability. In addition, the E-mail system shall not be used to send (upload) or receive (download) copyrighted materials, trade secrets, proprietary financial information, or similar materials.

Although MCFLS provides certain codes to restrict access to computers, voice mail and E-mail to protect these systems against external parties or entities obtaining unauthorized access, employees should understand that these systems are intended for business use, and all computer information, voice mail and E-mail messages are to be considered as System records.

MCFLS also needs to be able to respond to proper requests resulting from legal proceedings that call for electronically stored evidence. Therefore, MCFLS must, and does, maintain the right and the ability to enter into any of these systems and to inspect and review any and all data recorded in those systems. Because MCFLS reserves the right to obtain access to all voice mail and E-mail messages left on or transmitted over

MCFLS Employment Handbook

these systems, employees should not assume that such messages are private and confidential or that MCFLS or its designated representatives will not have a need to access and review this information. Individuals using MCFLS' business equipment should also have no expectation that any information stored on their computer – whether the information is contained on a computer hard drive, computer disks or in any other manner – will be private.

MCFLS has the right to, but does not regularly monitor voice mail or E-mail messages. MCFLS will, however, inspect the contents of computers, voice mail or E-mail in the course of an investigation triggered by indications of unacceptable behavior or as necessary to locate needed information that is not more readily available by some other less intrusive means.

The contents of computers, voice mail, and E-mail, properly obtained for some legitimate business purpose, may be disclosed by MCFLS if necessary within or outside of MCFLS.

Given MCFLS' right to retrieve and read any electronic mail messages, such messages should be treated as confidential by other employees and accessed only by the intended recipient.

MCFLS' Director will review any request for access to the contents of an individual's computer, voice mail, or E-mail prior to access being made without the individual's consent.

Any employee who violates this policy or uses the electronic communication systems for improper purposes may be subject to discipline, up to and including termination.

### 5.17 Use of Computer Software

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

### 5.18 Smoking Policy

No smoking of any kind is permitted inside any MCFLS office or work area. Smoking may take place only in designated smoking areas outside MCFLS facilities.

### 5.19 Alcohol and Substance Abuse

MCFLS is an organization in which responsibilities and freedoms are governed by policies and codes of behavior, including penalties for violations of these standards as stated in your employee handbook. MCFLS has a standard of conduct that prohibits the unlawful possession, use, or distribution of illicit drugs and alcohol by employees on MCFLS' site and/or client sites or as a part of MCFLS' activities. In addition, employees who operate MCFLS vehicles while on MCFLS business are prohibited from consuming alcoholic beverages or using non-prescribed controlled substances during meal periods,

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 33

MCFLS Employment Handbook

whether paid or unpaid. MCFLS will impose disciplinary sanctions on employees ranging from educational and rehabilitation efforts up to and including expulsion or termination of employment and referral for prosecution for violations of the standards of conduct. Each situation will be looked at on a case-by-case basis.

Employees taking medication prescribed by a physician that may affect the efficiency or effectiveness of their work or which may give the appearance of being under the influence of a drug or alcohol must notify the Director before going on duty. The Director will determine whether the employee may work or be released from duty until such time as the employee is able to perform safely and satisfactorily. Accrued sick leave time may be used under such circumstances.

It is the goal of MCFLS to maintain a drug-free workplace. To that end, and in the spirit of the Drug-Free Workplace Act of 1988, MCFLS has adopted the following policies:

1. The unlawful manufacture, possession, distribution, or use of controlled substances or alcoholic beverages or the unauthorized use of prescribed medication is prohibited in the MCFLS workplace or vehicles or reporting to work under their influence.
2. Employees who violate this prohibition are subject to corrective or disciplinary action as deemed appropriate, up to and including termination.
3. As an on-going condition of employment, employees are required to abide by this prohibition and to notify, in writing and within five (5) days of the violation, the Business Manager of any criminal drug statute conviction they receive.
4. If you report for duty debilitated through the use of drugs, appropriate personnel action will be taken, up to and including termination. In the event of a second offense, in addition to being subject to the discipline process, up to and including termination, you will be referred to drug counseling/rehabilitation. Refusal to attend such programs will result in termination.
5. If you sell illegal drugs while on duty or in the workplace, you will be immediately terminated from MCFLS.

## 5.20 Gifts

Advance approval from the MCFLS Director is required before an employee may accept or solicit a gift of any kind from a client. Employees are not permitted to give unauthorized gifts to clients.

## 5.21 Solicitations and Distributions

Solicitation for any cause during working time and in working areas is not permitted. Employees are not permitted to sell chances, merchandise or otherwise solicit or distribute literature without approval from the MCFLS Director.

---

MCFLS Employment Handbook

---

Persons not employed by MCFLS are prohibited from soliciting or distributing literature on MCFLS premises.

## **5.22 Complaint Procedure**

Employees who observe, learn of, or, in good faith, suspect a violation of the Standards of Conduct of MCFLS should immediately report the violation to the MCFLS Director. For complaints regarding discipline or work safety see Section 4 of this handbook (Complaint Procedure – Discipline and Work Safety).

## **5.23 Corrective Procedure**

Unacceptable behavior that does not lead to immediate dismissal may be dealt with in any of the following manners: (a) Oral Reminder, (b) Written Warning, (c) Suspension Without Pay or (d) Termination. MCFLS reserves the right to determine the appropriate level of discipline based on the circumstances involved.

## **5.24 Crisis Suspension**

An employee who commits any serious violation of MCFLS policies at minimum will be suspended without pay pending an investigation of the situation. Following the investigation, the employee may be terminated without any previous disciplinary action having been taken.

## **5.25 Outside Employment**

Employees may pursue outside employment providing the outside work does not interfere with the performance of regular MCFLS work and there is no conflict of interest between the outside work and MCFLS employment.

## **5.26 Employment Termination/Resignation**

MCFLS operates under the principle of at-will employment. This means that neither the employee nor MCFLS has entered into a contract regarding the duration of employment. An employee is free to terminate his/her employment with MCFLS at any time, with or without reason. Likewise, MCFLS has the right to terminate an employee, or otherwise discipline, transfer, or demote an employee at any time, with or without reason, at the discretion of MCFLS.

A written or typed notice of resignation is to be provided by an employee to the MCFLS Director a minimum of sixty (60) calendar days prior to the effective date. Failure to provide this required notice may result in forfeiture of any accrued benefits and leave.

A written or typed notice of retirement is to be provided by an employee to the MCFLS Director a minimum of sixty (60) calendar days prior to the effective date.

---

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 35

---

MCFLS Employment Handbook

---

Any accrued but unused vacation time will be paid out at the time of employment termination.

#### **5.27 Exit Interview**

In a voluntary separation situation, MCFLS would like to conduct an exit interview to discuss the employee's reasons for leaving and any other impressions that the employee may have about MCFLS. During the exit interview, the employee can provide insights into areas for improvement that MCFLS can make. Every attempt will be made to keep all information confidential.

#### **5.28 Return of Company Property**

Any MCFLS property issued to employees such as keys, staff badge, cell phone, laptop computer, or system credit card must be returned to MCFLS at the time of your termination. You will be responsible for any lost or damaged items. The value of any property issued and not returned may be deducted from your final paycheck, and you may be required to sign a wage deduction authorization form for this purpose.

#### **5.29 Rehiring of Former MCFLS Employees**

MCFLS may consider a former employee for re-employment. Such applicants are subject to MCFLS' usual pre-employment procedures. To be considered, an applicant must have been in good standing at the time of their previous termination of employment with MCFLS.

#### **5.30 Post-Employment Inquiries**

In the event employment with MCFLS is terminated, either voluntarily or involuntarily, the MCFLS Director or Business Manager may be able to provide a reference to potential employers if requested by prospective employers. MCFLS management staff are authorized to provide only: date of employment, job title, job duties and salary.

As an employee of MCFLS, do not under any circumstances respond to any requests for information regarding another employee unless it is part of your assigned job responsibilities. If it is not, please forward the information request to the MCFLS Director.

## 6 COMPENSATION POLICIES

### 6.1 MCFLS Compensation Philosophy

The goal of MCFLS' compensation program is to attract potential employees, meet the needs of all current employees and encourage well-performing employees to stay with our organization. With this in mind, our wage and salary program is built to balance both employee and MCFLS needs.

It is MCFLS' desire to pay all regular employees' wages and salaries that are competitive with other employers in the marketplace in a way that will be motivational, fair and equitable. Compensation may vary based on roles and responsibilities, overall performance, and in compliance with all applicable laws.

MCFLS applies the same principles of fairness to all employees, regardless of organizational level, race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law.

### 6.2 Basis for Rate of Compensation

Several factors may influence your rate of compensation. Some of the items MCFLS considers are the nature and scope of your job, what other employers in the same geographical area pay their employees for comparable jobs (external equity), what MCFLS pays their employees in comparable positions (internal equity), and individual performance. It is MCFLS' goal to have a current job description on hand that broadly defines your job responsibilities.

### 6.3 Timekeeping Procedures

By law, MCFLS is obligated to keep accurate records of the time worked by employees. This is done by time record sheets.

You are responsible for accurately recording your time. No one may record hours worked on another's time sheet. Tampering with another's time sheet is cause for disciplinary action, up to and including possible termination, of both employees. In the event of an error in recording your time, please report the matter to your supervisor, Business Manager or MCFLS Director immediately.

Requests for time off are to be made through the Paychex Online Time Management system. Notifications are sent to your direct supervisor who will approve or deny the request. Contact the Business Manager if you have questions regarding access or use of the Paychex system.



#### 6.4 Pay Cycle (Bi-Weekly)

Payday is normally every other Thursday for work performed during the two-week period ending the previous Friday. The bi-weekly pay schedule is normally made up of twenty-six (26) pay periods per year.

Changes will be made and announced in advance whenever MCFLS holidays or closings interfere with the normal pay schedule.

#### 6.5 Mandatory Deductions from Paycheck

MCFLS is required by law to make certain deductions from an employee's paycheck each time one is prepared. Among these are federal, ~~and state~~ ~~and local~~ income taxes and a contribution to Social Security ~~as required by law~~. These deductions will be itemized on the check stub. The amount of the deductions will depend on the employee's earnings and on the information the employee furnishes on a W-4 form regarding the number of exemptions an employee can claim. If an employee wishes to modify this number, a new W-4 form should be submitted to the Business Manager immediately. Only an employee him/herself may modify his/her W-4 form. Verbal or written instructions are not sufficient to modify withholding allowances. MCFLS advises employees to frequently check a pay stub to ensure that it reflects the proper number of withholdings.

The W-2 form an employee receives annually indicates how much of earnings were deducted for these purposes.

Any other mandatory deductions to be made from a paycheck, such as court-ordered garnishments, will be explained whenever MCFLS is ordered to make such deductions. If court-ordered deductions are to be taken from an employee's paycheck, the employee will be notified.

#### 6.6 Error on Paycheck

Every effort is made to avoid paycheck errors. If an employee believes an error has been made, the employee should notify the Business Manager. He/she will take the necessary steps to research the problem and to assure that any necessary correction is made promptly.

#### 6.7 Promotion Policy

To qualify for a promotion, you must have held your current position for a minimum of six (6) months. Approval of promotions or transfers depends largely upon training, experience, and work record. Promotions and transfers are made without regard to race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law. However, MCFLS will continue to look outside the System for potential employees as well.

## 6.8 Travel and Lodging Policy

Staff are required to submit (at least two weeks in advance of conference or meeting) the **MCFLS Meeting and Conference Expenditures Request Form** for approval to attend and receive reimbursement for costs associated with meeting or conference attendance. Special approval in advance is required for any expenses exceeding stated guideline rates. Upon return from meeting or conference, an **Authorized Expense Voucher** must be submitted along with receipts to receive reimbursement.

### a. Meals and Incidental Expenses (M&IE)

The reimbursement rate is based on Federal government per diem rates which are found at <http://www.gsa.gov> and listed as lodging costs and MEIE rates. Determine the total allowable reimbursement by the number of quarter-days away from home x the per diem rate. Quarter days are defined as 6:01 a.m. to 12 p.m., 12:01 p.m. to 6 p.m., 6:01 p.m. to 12 a.m. and 12:01 a.m. to 6 a.m.

For example: If the per diem for meals is \$40 for an entire day and the amount of time allocated for the meeting outside of Milwaukee County is from 8:00 a.m. to 4:00 p.m., the staff is allowed two quarter-days' worth of funding which is \$20 to spend as desired on meals and incidental expenses.

1. The tips on meals are included in the meal rate.
2. Actual cost of meals will be paid up to the per diem limits.
3. If a meal is included in the cost of the conference registration, reimbursement of meals consumed elsewhere will not be allowed.
4. Alcoholic beverages will not be reimbursed by MCFLS.
5. Business meals within Milwaukee County incurred while on official MCFLS business are not reimbursable.
6. Meals included in registration fees are not reimbursable as an additional expense.

### b. Registration Fees

1. The full cost of the registration fee for either Board approved or Director approved meetings or conference is a reimbursable expense.
2. Receipts for all registration fees must be provided.
3. If staff cancel for personal reasons, staff will be responsible for this cost and if prepaid by MCFLS, is to be refunded back to MCFLS by means of a personal check or deducted from the next paycheck.

### c. Telephone Expenses

1. The full cost of business related telephone calls is a reimbursable expense. The cost of personal calls is not a reimbursable expense. Cell phone usage is encouraged instead of hotel phones due to extreme fees and rates charged. Staff that decide not to possess a MCFLS phone will be reimbursed at the MCFLS rate only.

### d. Transportation Expense

1. The full cost of business related taxi/bus/airport shuttle service, etc. is a reimbursable expense.

MCFLS Employment Handbook

2. Receipts for all taxi/bus/airport shuttle service must be provided.
3. Staff are encouraged to share a taxi if more than one person is riding to the same location.
4. Use of hotel courtesy transportation is encouraged for all travel possible.

e. Mileage Reimbursement

1. It should always be staffs goal to use the most economical means of transportation. If a staff member drives their own car, the Federal mileage reimbursement rate will be granted calculating the most direct route of travel including tolls and parking fees.
2. Staff will not be reimbursed for any repairs to their personal cars even if those costs result from business travel.

f. Airfare

1. The cost of airfare is a reimbursable expense.
2. Reservations should be booked well in advance of the flight in order to obtain coach rates.
3. In the event that the staff member elects to drive his/her personal vehicle on MCFLS business rather than fly, his/her reimbursement shall not exceed the coach rate fare that would have been spent for flying.
4. If travel is altered to accommodate added staff vacation time and the cost of airfare is then increased, the staff member will be responsible for the additional cost incurred.
5. The cost to change airline bookings, for a personal reason, will be the expense of the traveler and not MCFLS.
6. MCFLS will pay the fee for one suitcase checked. Any others are the responsibility of the traveler.

g. Lodging

1. The cost of lodging is a reimbursable expense.
2. Staff members should book lodgings well in advance in order to obtain the best rates possible at moderately priced hotels.
3. The cost of the lowest cost single room will be reimbursed. Any cost beyond that will be the sole responsibility of the staff member.
4. Cancellations due to personal reasons will be a personal expense to be reimbursed to MCFLS.
5. If late check-out charges are assessed due to personal reasons, the staff member will be responsible for this charge.
6. A legitimate exception allowed will be to allow staff to stay at the meeting or conference hotel but the single rate will prevail as the cost allowable.

**Other non-reimbursables.** The following will not be reimbursed by MCFLS: bar bill, newspapers and magazines, personal phone calls, movie charges, toiletries, dry cleaning or laundry, spa or health club fees, gift shop purchases, child care, house-sitting and pet boarding, sporting events, plays, books, court fees, greens fees, gambling, spouse/companion travel expenses, traffic/parking violations, personal credit/debit card fees, medical prescriptions, tobacco, candy, gum.

MCFLS assumes no obligation to reimburse employees for expenses that are not in compliance with this policy.

MCFLS Employment Handbook

DRAFT

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 41

## 6.9 Use of MCFLS Credit Card

Staff are granted a MCFLS Business credit card if the Business Manager and System Director determine a need for the credit card is warranted. All purchases must be approved in advance by the System Director.

All purchases must have a receipt forwarded to the Business Manager for reconciliation and accounting purposes. Purchases that do not produce a receipt will result in the expense being deducted from the employee's paycheck.

Formatted: Normal, Indent: Left: 0.4"

Formatted: Normal, Indent: Left: 0.44", Hanging: 0.06"

## 7 EMPLOYEE BENEFITS

### 7.1 Benefits Summary and Eligibility

MCFLS is dedicated to the health and well-being of both an employee and his/her family. Comprehensive, quality benefits programs are available to individuals and/or families. Full-time and part-time employees may choose to be included in the System's group benefits programs. These programs shall be selected and may be changed by the employer as necessary. Eligible employees are provided with appropriate editions of insurance pamphlets/handbooks, as they become available. The Business Manager acts as the agent for the administration of these benefits programs.

A good benefits program is a solid investment in MCFLS' employees. MCFLS will periodically review the benefits program and will make modifications as appropriate to the System's condition. MCFLS reserves the right to modify, add or delete the benefits it offers.

All full-time employees enjoy all of the benefits described in this policy and the individual plan summaries as soon as they meet all of the eligibility requirements for each particular benefit. Part-time employees may be eligible for certain benefits if they meet the eligibility conditions.

-If an ~~an~~ part-time employee elects to participate in the benefit program, the employee pays a pro-rated share of the premiums based on the number of hours worked per week. Coverage is available to the employee and dependents as defined in the benefit summary plan descriptions.

### 7.2 Health Insurance

**See also "Appendix A - Health Insurance" for a more detailed description.**

Today's many health insurance plans and options can be confusing and complicated. MCFLS offers employees the option to choose medical coverage for self, spouse and dependent children. Full-time employees working 40 hours per week are subsidized by MCFLS for the premium share specified in Appendix A. Employees working less than 40 hours per week will pay a pro-rated share of the premium. Please see the insurance

---

MCFLS Employment Handbook

---

handbook for detailed plan information. See the Business Manager to calculate your monthly co-pay.

According to the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, in the event of your termination of employment with MCFLS or loss of eligibility to remain covered under our group health insurance program, you and your eligible dependents may have the right to continue coverage under our health insurance program for a limited period of time at your own expense. See the Business Manager for details.

MCFLS will not provide additional compensation in lieu of or in addition to the System's contribution because he/she does not qualify or elect the family plan.

### 7.3 Dental Insurance

See also "Appendix A - Health Insurance."

Dental coverage is available for self, spouse and children. Full-time employees working 40 hours per week pay no premium. Employees working ~~less than~~between 30 and 40 hours per week will pay a pro-rated share of the premium. No coverage is available for employees working less than 30 hours a week per the benefit provider contract with MCFLS. See the dental handbook for level of benefits. See the Business Manager to calculate your monthly co-pay if you are a part-time employee interested in dental coverage.

### 7.4 Vision Insurance

See also "Appendix A - Health Insurance."

MCFLS employees are eligible to enroll in a vision insurance program. The employer pays the entire premium for full-time employees. Part-time employees pay a pro-rated cost. See the Business Manager for further details and the cost based on your family situation.

### 7.5 Prescription Drugs

See the insurance handbook for level of benefits. This benefit is part of the health insurance coverage and not a separate benefit.

### 7.6 Life Insurance

See also "Appendix B - Life Insurance" for a more detailed description.

MCFLS employees may apply for life insurance. MCFLS pays the total premium for ~~full-time~~ employees up to \$30,000 of coverage. Staff can purchase additional insurance to equal ~~to~~ the amount of annual earnings to the next thousand dollars value. ~~Part-time employees pay a pro-rated cost based on the amount of hours worked.~~ The amount of insurance coverage is capped and based on annual salary. MCFLS does not offer any life insurance coverage for spouse or dependents. See the Business Manager for further details and costs.

---

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 43

## **7.7 Deferred Compensation Plan**

Employees may elect to participate in the Wisconsin Deferred Compensation Program, a 457 Plan. It is a supplemental retirement plan that gives the employee the opportunity to reduce current taxes by selecting from a variety of investment Options. MCFLS does not contribute to this benefit; it is fully funded by individual employees if desired. See the Business Manager for further details if interested

## **7.8 Reliance on Underlying Plans**

All benefits are determined by the terms of the underlying plan documents and contracts.

## **7.9 Worker's Compensation**

All employees are entitled to Workers' Compensation benefits. This coverage is automatic and protects you in the event of an on-the-job injury. An on-the-job injury is defined as an accidental injury suffered in the course of your work, or an illness, which is directly related to performing your assigned job duties. Please note, injuries incurred in an accident that is due to an employee's intoxication or fragrant abuse of work rules may not be covered. This job-injury insurance is paid for by MCFLS. If you cannot work due to a job-related injury or illness, Workers' Compensation insurance pays your medical bills and provides a portion of your income until you can return to work.

All injuries or illnesses arising out of the scope of your employment must be reported to your supervisor, Business Manager or MCFLS Director immediately. See Section 3.15- Employee Requiring Medical Attention. Prompt reporting is the key to prompt benefits; but nothing can happen until your employer knows about the injury. Ensure your right to benefits by reporting every injury, no matter how slight.

Although MCFLS will pay for the time lost because of a work-related accident during the remainder of the normal workday in which the accident occurs, Workers' Compensation payments for lost wages aren't made for the first five days (the first five days are charged to sick leave). Accident reports requiring disability leave should be supported by the certificate of a licensed physician setting forth the nature and extent of the injury and the probable period of disability. Employees returning to work after being absent due to a work-related injury must report to their supervisor prior to beginning work and must bring a doctor's clearance for returning to work.

It is a serious offense to collect compensation through a false claim of a job related injury. A false claim may be made the basis for disciplinary action up to and including dismissal and may subject the violator to criminal charges.

## **7.10 Unemployment Compensation**

Unemployment compensation is designed to provide a temporary income for those who are out of work through no fault of their own. Depending upon the circumstances, individuals may be eligible for Unemployment Compensation upon termination of employment with MCFLS. Eligibility for Unemployment Compensation is determined by

---

MCFLS Employment Handbook

---

the Division of Unemployment Insurance of the State Department of Labor. MCFLS pays the entire cost of this insurance program.

For a claim to be valid, an individual must have a minimum amount of earnings determined by the State, and must be willing and able to work. An individual should apply for benefits through the local State Unemployment Office as soon as becoming unemployed.

### 7.11 Social Security

The United States Government operates a system of mandated insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your weekly wages to the trust fund from which benefits are paid. As your employer, MCFLS is required to deduct this amount from each paycheck you receive. In addition, MCFLS matches your contribution dollar for dollar, thereby paying one-half of the cost of your Social Security benefits.

Your Social Security number is used to record your earnings. Employees are encouraged to protect your Social Security record by ensuring your name and Social Security number on your pay stub and W-2 Form are correct. You may also want to make sure your earnings statement is accurate each year by requesting a Personal Earnings and Benefit Estimate Statement from the U.S. Social Security Administration by calling 1-800-772-1213 or you may even access them on-line at [www.ssa.gov](http://www.ssa.gov).

### 7.12 State Retirement Plan

MCFLS participates in the Wisconsin Retirement System to provide eligible employees (those who have completed sufficient service) with a monthly pension benefit upon retirement. Participation in the Plan begins on your date of hire.

MCFLS contributes the required employer percentage contribution of the employee's gross wages (6.75% as of 1/1/2024) to the fund. Employee contributions are deducted from the employee's gross wages each paycheck as pre-tax income to meet the required employee contribution (6.75% as of 1/1/2024). Details on the Wisconsin Retirement System can be obtained from the Business Manager or by visiting the Wisconsin Department of Employee Trust Fund website at [www.etf.gov](http://www.etf.gov).

### 7.13 Terminal Leave

An employee who retires under the provisions of the Wisconsin Retirement System (hereinafter "W.R.S."), (but excluding retirement on deferred or actuarially reduced pensions, as they are defined under W.R.S.), shall, upon retirement, be entitled to a lump sum payment equivalent to one eight-hour work shift's base salary for each one eight-hour work shift equivalent of the employee's earned and unused sick leave up to a maximum of thirty-seven and one-half (37.5) eight hour work shifts, (300 hours) of pay. An employee who was previously employed by the City of Milwaukee and who accepted employment with MCFLS on September 1, 1994, shall be entitled to this same benefit upon any eligible retirement under the provisions of the W.R.S.

Terminal Leave Compensation shall not be construed as affecting the employee's pension benefits. Any payments made under the provisions of this Article shall not have



---

MCFLS Employment Handbook

---

any sum deducted for pension benefits nor shall the payments be included in establishing pension benefits or payments.

Terminal Leave Compensation benefits shall be made as soon as is administratively possible after the employee's effective date of retirement.

An employee shall receive Terminal Leave Compensation only once during their lifetime.

#### **7.14 Duty Incurred Disability Pay**

A full-time employee who has completed the probationary period and who sustains an Injury while performing within the scope of their employment, as provided by Chapter 102 of the Wisconsin Statutes (Worker's Compensation Act), may receive 80% of base salary, as "injury pay," in lieu of Worker's Compensation for the period of time they may be temporarily, totally or partially, disabled because of this injury, not to exceed a total of one calendar year.

In no case shall an employee receive "injury pay" for more than one year (250 working days) during their employment regardless of the number of compensable injuries sustained.

In providing injury pay in an amount equal to 80% of the employees' base salary, the employee agrees to allow MCFLS to make a payroll adjustment to their biweekly pay check deducting an amount equal to 20% of their base salary for that portion of the pay period they received injury pay and make no subsequent claim for this amount whatsoever. This deduction shall be administered so as not to reduce the employees' pension benefits. For purposes of interpretation of the provisions of this paragraph, the term, base salary, shall mean the employees' base salary pay rate in effect during the pay period they are claiming injury pay.

After "injury pay" benefits have been exhausted, an employee shall have the option of accepting sick leave benefits or accepting Worker's Compensation temporary disability benefits. This option, which shall be in writing, may be terminated without prejudice to temporary total, or temporary partial, disability benefits under the Worker's Compensation Act, but such termination shall not be retroactive and any sick leave already used at the time of the termination of the option shall not be restored to the employee.

Questions involving eligibility for injury pay shall be determined under the applicable law and the substantive and procedural rules of the Department of Industry, Labor and Human Relations relative to Worker's Compensation and in the event of a dispute between MCFLS and the employee relative to such eligibility, the Department of Industry, Labor and Human Relations and the courts, upon the statutorily prescribed review thereof, shall be the sole and final arbiters of such dispute.

An employee who has not successfully completed his/her initial probationary period with MCFLS shall not be entitled to Duty Incurred Disability Pay.

If the Internal Revenue Service (IRS) determines that the injury pay benefits provided hereunder are taxable as wages, then beginning with the effective date of this determination, MCFLS will no longer require the 20% employee deduction from injury pay benefits.

In all third-party claims or actions, MCFLS shall not be limited in its recovery to the amount of temporary disability benefits which would otherwise have been payable under

---

MCFLS Employment Handbook

---

the Worker's Compensation Act, but shall instead be entitled to recover the amount of injury pay received by the employee. If because of a third party involvement in any duty-incurred injury, MCFLS receives a portion of the monies that had been paid to employees as duty-incurred disability pay, the employees shall have a corresponding number of duty-incurred disability pay days restored to their account.

---

DRAFT

---

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 47

## 8 TIME-OFF BENEFITS

### 8.1 Holiday Policy

Regular full-time and part-time employees are eligible for holiday pay.

The following holidays are recognized by MCFLS as paid holidays:

New Year's Day  
Martin Luther King Day (3<sup>rd</sup> Monday in January)  
Good Friday  
Memorial Day (Last Monday in May)  
Independence Day  
Labor Day (First Monday in September)  
Thanksgiving Day  
Day after Thanksgiving Day  
Christmas Eve (Last normal workday before Christmas Day)  
Christmas Day  
New Year's Eve (Last normal workday before New Year's Day)

Employees will be paid for the above listed days. Full-time employees will be paid for eight hours; part-time employees will be paid for the day on a pro-rated basis, based on the average amount of hours worked on that day of the week during the year.

In order to receive holiday pay, an employee must have been regularly at work for at least two (2) days during the calendar week in which the holiday occurred, provided, however, that no holiday pay shall be allowed in any cases where a holiday occurred within or immediately before or immediately after a period of disciplinary suspension or unauthorized absence. An absence shall be considered authorized only if the employee has reported his absence and has been excused.

A holiday which falls on a Friday or on a Monday shall be considered to be immediately before, or immediately after, the adjacent Monday or Friday. Further, employees must work the regularly scheduled shift immediately before and immediately following the holiday in order to be eligible for holiday pay. An employee who is on sick leave with pay or on vacation with pay shall be regarded as being regularly at work for purposes of interpreting this paragraph.

Whenever Independence Day (July 4) falls on a Saturday, the preceding Friday shall be observed as a holiday.

Whenever New Year's Day, Independence Day, or Christmas Day falls on a Sunday, the following Monday shall be observed as a holiday.

Whenever New Year's Day or Christmas falls on a Saturday, the following Monday shall be observed as a holiday.

MCFLS shall make efforts to accommodate an employee's request to be away from work

MCFLS Employment Handbook

for certain religious holiday observances; however, nothing shall obligate MCFLS to make accommodation if, in accommodating the request, it would result in undue hardship on MCFLS or its employees. If available, vacation may be used for this purpose, otherwise you won't be paid for this time off. Please schedule the time off in advance with your supervisor.

All national holidays are scheduled on the day designated by common business practice. If a holiday occurs during your scheduled vacation, you are eligible for the holiday and that many hours of vacation will not be used. You are not eligible to receive holiday pay when you are on an unpaid leave of absence.

## 8.2 Vacation Policy

Vacation is a time for an employee to rest, relax and pursue special interests. MCFLS has provided paid vacation as one of the many ways in which we show our appreciation for hard work, knowledge, skills, and talents; all of which contribute to make MCFLS an effective organization.

Regular full-time and part-time employees are eligible to accrue vacation. Part-time employees accrue vacation on a pro-rated basis. Vacation begins accruing on the first day of service, and can be used immediately. An employee earns vacation time in the following manner from his/her last anniversary date:

- o One and one-half days per month with a maximum of 15 days per calendar year for employees less than 12 years of creditable service;
- o Two days per month with a maximum of 20 days per calendar year for employees with at least 12 but less than 18 years of creditable service;
- o Two and one-half days per month with a maximum of 25 days per calendar year for employees with at least 18 but less than 25 years of creditable service;
- o Two and three-quarters days per month with a maximum of 30 days per calendar year for employees with at least 25 years of creditable service.

Vacation time is earned within the first ten months following your anniversary date at the rate of 1/10 of the total number of annual hours earned each of those ten months for those employees hired prior to 12/31/2017 and per pay period for those hired after 1/1/2018-

Vacation time must be scheduled at least 3 business days in advance with your supervisor utilizing the Paychex Online Time Management system. All absences are required to be recorded on the shared staff calendar. Every effort will be made to grant your request for vacation at the time you desire. However, vacations cannot interfere with System operation and therefore must be approved by your supervisor 3 business days in advance. If any conflicts arise in requests for vacation, consideration will be given to date of request, seniority, and work coverage. Employees may be required to take accumulated vacation leave while on leave for family or medical reasons under MCFLS policy.

If an employee is on an approved leave of absence for less than thirty days, his/her vacation eligibility will not be affected. If the leave extends beyond thirty (30) days, vacation will not continue to accrue.

If an employee has unused and accrued vacation hours upon the termination of his/her employment, the employee will be paid for that time at his/her regular base hourly rate,

---

MCFLS Employment Handbook

---

as long as the employee has not taken an unauthorized leave, and has followed the guidelines for resignation as set forth in this handbook.

Any employee who leaves the service of MCFLS due to resignation, retirement, termination, discharge, layoff, or death will have the compensation for vacation time owed MCFLS deducted from the final payroll. Any employee who leaves the service of MCFLS due to resignation, retirement, layoff, or death, or who takes military leave, will be paid for earned vacation time that has accumulated. A discharged employee is not entitled to pay for accumulated vacation time.

### **8.3 Vacation Time – Accumulation Rights**

Employees are encouraged to use their vacation to take regular time off each year. Staff may carryover up to one week of vacation upon approval of the MCFLS Director if circumstances arise that do not allow a staff member to use all of their vacation by the end of the calendar year.

Exceptions to this policy may be made in unusual circumstances. Each case will be viewed on an individual basis by the MCFLS Director.

### **8.4 Personal Days**

Employees are entitled to two (2) workdays off annually. These days are earned at the rate of 2/10 days for each month worked.

### **8.5 Sick Leave**

#### **See also Appendix C – MCFLS Absence Reduction Program**

Sick leave means all necessary absence from work because of illness, pregnancy disability, or bodily injury.

Regular full-time and part-time employees are eligible to accrue paid sick leave; part-time employees will accrue sick leave on a pro-rated basis. Sick leave begins accruing from the first day of employment.

Regular full-time employees will earn sick leave at the rate of 4.6 hours every 80-hour pay period. Regular part-time employees will earn sick leave on a pro-rated basis directly in relation to the normal full-time work week.

Employees may use sick leave as necessary; there is no minimum amount of time that must be used at one time. Sick leave benefits begin on the first day of absence and continue until the employee returns to work or has used all accumulated sick leave.

If any sick leave absence extends beyond three (3) consecutive work days, it is mandatory that acceptable medical substantiation from the employee's private physician be furnished to the MCFLS Director for the exact days he/she did not report to work. If medical substantiation is not submitted upon the employee's return to work, sick leave will not be approved and vacation or deduct time must be used.

MCFLS Employment Handbook

A supervisor must know that the employee will be absent from work due to illness as early as possible, and absolutely no later than the beginning of the work shift. (See also section 5.4 - Absence and Lateness). If an employee must leave during a workday for health reasons, he/she must notify a supervisor. Normally, only accrued sick leave may be taken.

Medical Appointments: The Sick Leave regulations permit, at the discretion of the MCFLS Director, an employee to be excused for a paid absence of two hours or less without reporting it as paid sick leave. The absences are limited to one per day, not to exceed four in any calendar year. The use of this provision is limited to instances related to the employee's own health, such as doctor's or dentist's appointments. The two-hour provision may also be used for blood donations and bone marrow donating. Part-time staff are allowed four one-hour provisions.

If the allotted number of medical appointments is exhausted, sick leave is to be used for the purpose of visiting doctors, dentists or other recognized practitioners.

~~No more than 40 hours of accrued sick leave may be used for the purpose of tending to a medical need suffered by a member of one's immediate family with a serious health condition.~~

~~In the event of insufficient accrued sick leave or exhaustion of the paid allowable usage of sick leave as noted above, and if an illness/hospitalization of an immediate family member requires an employee's personal time and attention, unpaid Family Medical Leave should be requested and documentation from the physician requiring the employee's attendance should be submitted for either regular or emergency needs.~~

Commented [SH1]: Part of section 8.9 (40 hours of time off to care for family members)

In the event of an illness or injury, which is covered by workers' compensation insurance, this Sick Leave Policy will defer to state statutes.

If an employee is injured while in the employ of others, MCFLS sick leave will not be allowed.

## 8.6 Funeral (Bereavement) Leave

Funeral leave is defined as absence from work because of a death in the employee's immediate family.

Immediate family, for purposes of this benefit, is defined as the husband or wife, child, brother, sister, parent, mother-in-law, father-in-law, brother-in-law, sister-in-law, aunt, uncle, grandparents or grandchild of the employee. It shall also include the employee's step-father, step-mother and step-children by virtue of his/her current spouse; during his/her lifetime, an employee's eligibility to use step-parent funeral leave benefits shall be limited to one step-father and one step-mother, regardless of the number of his/her step-parents.

Notification must be given by the employee to the MCFLS Director prior to taking funeral leave.

Up to three working days of leave with pay will be granted; these work days shall be contiguous to the day of death or the day after the funeral (not charged to other leave time) shall be granted to regular, full-time and part-time employees upon request to make arrangements for and attend funeral services of the employee's immediate family.

---

MCFLS Employment Handbook

---

Additional travel time may be granted if necessary. Requests for such time will be considered on a case-by-case basis on the merits of the individual situation.

If additional leave is necessary, vacation may be used for this purpose, otherwise you won't be paid for this time off. Unpaid time requests will be considered on a case-by-case basis on the merits of the individual situation.

Funeral leave pay will only be made to employees for actual time spent away from work for the funeral or its arrangements. For example, if the death occurs at a time when work is not scheduled, payment will not be made. If a holiday or part of your vacation occurs on any of the days of absence, you may not receive holiday or vacation pay in addition to paid funeral leave.

The Business Manager administers the provisions of funeral leave and a form must be submitted immediately after funeral leave is taken, with a copy of the obituary notice or other evidence of death attached.

Funeral leave is a separate allowance and is not deducted from sick leave.

## 8.7 Jury Duty

MCFLS is committed to supporting the communities in which MCFLS operates, including supporting MCFLS employees in fulfilling their responsibilities to serve as jurors whenever it is possible. When an employee receives notification regarding upcoming jury duty, it is his/her responsibility to notify the MCFLS Director within forty-eight (48) hours of receiving the jury summons.

MCFLS will allow an employee to take the necessary time off with pay. Compensation is paid between what an employee would earn on the job and what an employee is paid for reporting for jury duty. On any day or half-day an employee is not required to serve, he/she will be expected to return to work. In order to receive jury duty pay, an employee must present a statement of jury service and pay to the System's Business Manager. This document is issued by the court.

An employee, who is under subpoena to appear as a witness in court as a direct result of an incident that occurred while the employee was working, will be granted time off with pay for reporting for such appearance upon presentation of satisfactory evidence of such appearance. The employee agrees to allow a payroll adjustment to his/her biweekly pay check, deducting an amount equal to his/her compensation received (exclusive of travel pay and compensation for such an appearance performed on off-duty days) for such an appearance.

## 8.8 Military, Reserves, or National Guard Leaves of Absence

Employees who serve in U.S. military organizations or state militia groups such as the National Guard may take the necessary time off to fulfill this obligation and will retain all of their legal rights for continued employment under existing laws.

If a regular full-time or part-time employee is inducted into the U.S. Armed Forces, he/she will be eligible for re-employment after completing military service, provided:

MCFLS Employment Handbook

1. The employee shows his/her orders to the System Business Manager as soon as receiving them.
2. The employee satisfactorily completes active duty service.
3. The employee enters the military service directly from employment with MCFLS.
4. The employee applies for and is available for re-employment within ninety (90) days after discharge from active duty. If the employee is returning from up to six (6) months of active duty for training, the employee must apply within thirty-one (31) days after discharge.

Employees who serve in U.S. military organizations or state militia groups may take the necessary time off without pay to fulfill this obligation, and will retain all of their legal rights for continued employment under existing laws. These employees may apply accrued personal leave and unused earned vacation time to the leave if they wish, however, they are not obligated to do so.

An employee must notify his/her supervisor as soon as aware of the on duty dates so that arrangements can be made for a replacement during this absence.

## 8.9 Family/Medical Leaves of Absence

Occasionally, for medical, personal, or other reasons, employees may need to be temporarily released from the duties of their job with MCFLS. It is the policy of MCFLS to allow its employees to apply for and be considered for certain specific leaves of absence. All requests for leaves of absence should be submitted in writing to the MCFLS Director.

Under terms of the MCFLS Family and Medical Leave policy, the employee may use accrued sick leave to care for a child, spouse or parent with a serious health condition.

A serious health condition is defined as a "disabling physical or mental illness, injury, impairment or condition involving any of the following: (1) inpatient care in a hospital, nursing home or hospice; (2) outpatient care that requires continuing treatment or supervision by a health care provider."

At the discretion of the MCFLS Director, the definition may be expanded to include short-term situations, of a serious and emergency nature, when the employee is the primary and sole available caregiver.

No more than 40 hours of accrued sick leave shall be applied to this purpose in each calendar year. Hours, not utilized in one calendar year, shall not accrue to the next.

A medical form (provided by MCFLS), with appropriate doctor (or health care provider) signature, must be returned to the Business Manager for each occurrence.

In general, a leave of absence is an official authorization to be absent from work without pay for a specified period of time. Eligible employees may be entitled to job-protected family or medical leaves of absence if they are unable to come to work due to pressing family or medical concerns as described within this Family/Medical Leave of Absence



MCFLS Employment Handbook

Policy, which shall be administered in accordance with applicable state and federal laws as follows:

1. Employees are eligible if they have been actively employed for twelve (12) months, and worked at least 1250 hours (an average of twenty-five (25) hours per week) during those twelve (12) months. This twelve-(12) month period "rolls back" from the date of leave to the prior twelve-(12) month period. If you worked more than 1000 hours but less than 1250 hours in the past twelve months, you may still be eligible for unpaid leave under the Wisconsin law.
2. Employees may request one (1) or more family care or medical leaves, however, the total amount of leave taken cannot exceed twelve (12) work weeks in any twelve-(12) month period. You may request an intermittent leave or reduced schedule leave to care for a seriously ill family member or if you have a serious health condition that warrants such a request.
3. A family leave shall be granted upon the birth or adoption of a child of the employee, or upon the serious health condition of the employee's child, spouse, or parent. Wisconsin law grants you up to six weeks of leave for the birth or adoption of a child if you have worked more than 1000 hours in the past twelve months. In the event you need to care for a child, spouse, or parent suffering from a serious health condition, Wisconsin Law provides you with two weeks of unpaid leave as long as you have worked more than 1000 hours in the past twelve months.
4. A medical leave shall be granted upon the employee's own serious health condition. If you worked fewer than 1250 hours in the past 12 months but more than 1000 hours, Wisconsin Law will provide you up to two weeks to care for your own serious health condition which renders you unable to perform the essential functions of the job.
5. In appropriate circumstances, we may require you to be examined by a System-designated physician, at MCFLS' expense.
6. In the event of a serious health condition to the employee or his/her child, spouse, or parent, creating a need for unforeseeable family or medical leave, the employee must provide MCFLS with notice, as soon as practicable, of any needed time off, and a written doctor's certificate. The certification must include the date on which the health condition occurred, the probable duration of the condition, an estimate of the amount of time you need to be off work to care for the family member or for your own health condition, and confirmation that the nature of the condition warrants you to be away from work to care for yourself or your dependent.
7. Employees shall be required to give thirty (30) days advance notice in the event of a foreseeable medical treatment. To assist MCFLS in arranging work assignments during your absence, MCFLS asks that employees give prior notice, to the extent possible, of an expected birth or adoption, as well as an indication, to the extent known, of an expected return date. To facilitate your return to work, we also ask that you provide us with two (2) weeks advance notification of an intended return date. Failure to do so may delay the return date.
8. For purposes of this policy, a child is defined as a natural, adopted, or foster child, a stepchild or a legal ward. If the child is over eighteen (18), he/she must be unable to care of himself/herself due to a serious illness.

MCFLS Employment Handbook

9. A parent is defined as the employee's or his/her spouse's natural, adoptive, or foster parent, stepparent, or legal guardian.
10. A serious health condition is defined as a disabling physical or mental illness, injury, impairment, or condition involving 1) inpatient care in a hospital, nursing home, or hospice; or 2) outpatient care requiring continuing treatment or supervision from a health care professional.
11. Leave of absence rights available to you under other sections of our policy shall be counted towards the total time off available under this section.
12. A Family Care Leave that relates to the birth or adoption of a child must be completed within twelve (12) months of the birth or adoption, if you qualify and are applying under federal law. If you qualify and apply under state law (actively employed for 12 months and worked at least 1000 hours) the leave must begin within 16 weeks of birth or adoption of the child. Under Wisconsin law, if non-consecutive leave is taken, the last increment of the non-consecutive leave must commence no later than 16 weeks after the birth or adoption date.
13. Upon completion of a leave granted under this section, you shall be reinstated to your original position, or an equivalent one.
14. If, due to your own medical circumstances, you are no longer able to perform your original job, we will attempt to transfer you to alternate suitable work, if available.
15. You have the choice to use accrued vacation or other accrued paid time off while eligible under the Wisconsin family and medical leave. While under the Federal family and medical leave act, however, you must use any accrued vacation or other accrued paid time off during your family care or medical leave, if requested by the employer.
16. While on a leave of absence provided for under this policy, we will continue your group health insurance benefits under the same terms as provided to other employees, for up to a maximum of twelve (12) weeks leave during any one (1) year period. If your leave extends beyond twelve (12) weeks, you shall be offered the opportunity to purchase continuing coverage under state and federal COBRA continuation rules. Please make arrangements with the System's Business Manager.
17. Other accumulated fringe benefits such as retirement, service credits, sick pay, vacation pay, and the like shall be preserved at the level accrued as of commencement of the leave. These fringe benefits will accrue under the same conditions these benefits accrue under paid or unpaid leave for other purposes.
18. If additional family care or medical leave is required you must, prior to expiration of the family care or medical leave, submit additional certification to the System's Business Manager.

## 8.10 Personal Leave of Absence

In special circumstances, MCFLS may grant a leave for a personal reason, but never for taking employment elsewhere or going into business for oneself. An employee should

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 55

---

MCFLS Employment Handbook

---

request an unpaid personal leave of absence from the MCFLS Director. A personal leave of absence must not interfere with the operations of MCFLS.

A personal leave of absence may be granted for up to thirty (30) days by the MCFLS Director. Leaves of longer periods of time may be granted, but only with approval of the MCFLS Board. If your leave is extended for more than thirty (30) days, vacation and other benefits will no longer continue to accrue. Consult your group insurance booklet to determine your insurance coverage during a leave of absence. Failure to return from a leave at the time agreed will be considered a voluntary resignation from employment from MCFLS as of the day on which you began your leave of absence.

If a period of disability continues beyond the 12 weeks provided for within the Family/Medical Leaves of Absence section, an employee may apply in writing for an extended disability leave.

If you accept any employment or go into business while on a leave of absence from MCFLS, you will be considered to have voluntarily resigned from employment with MCFLS as of the day on which you began your leave of absence.

While an employee is on any other type of unpaid leave of absence than Family Leave, he/she is responsible for paying the total premiums for insurance coverage and that of dependents. Failure to do so may result in loss of coverage and possible refusal by the insurance carrier to allow coverage to be reinstated. Please consult with the System Business Manager to set up a payment schedule.

#### **8.11 Part-Time Staff – Prorated Benefits**

An employee who is employed for an average of 20 hours per week or more is eligible for the following employment benefits on a pro-rated basis: Vacations, Holidays, Sick Leave, Funeral Leave, and Jury Duty.

---

## **9 EMPLOYEE COMMUNICATIONS**

### **9.1 Open Communication**

Successful working conditions and relationships depend upon successful communication. Not only do you need to stay aware of changes in procedures, policies and general information, you also need to communicate your ideas, suggestions, personal goals or problems as they affect your work.

In addition to the exchanges of information and expressions of ideas and attitudes which occur daily, make certain you are aware of and utilize all MCFLS methods of communication, including this employee handbook, bulletin boards, discussions with your supervisor, memoranda, staff meetings, newsletters, training sessions, and System e-mail and internet.

You will receive other information booklets, such as your insurance booklets, from time to time. You may take these booklets home so that your family may know more about your job and your benefits.

In addition, you may receive communications from MCFLS. There is no regular schedule for distribution of this information. The function of each letter is to provide you and your family with interesting news and helpful information that will keep you up-to-date on the events here at MCFLS.

### **9.2 MCFLS Staff Meetings/Lunches**

On occasion, system-sponsored staff meetings and/or lunches are scheduled. If this is scheduled during an employee's regular working hours, attendance is required.

### **9.3 MCFLS Staff Meetings**

In order to keep the communication channels open, MCFLS staff will hold mandatory staff meetings once a week. Employees will be allowed to attend the meetings in-person or online if that option is available. At least one in-person meeting will be required of staff each month. Staff review activities accomplished the prior week and share plans for current week's activities and long-range goals.

### **9.4 Suggestions**

MCFLS encourages all employees to bring forward their suggestions and good ideas about making MCFLS a better place to work and enhancing service to MCFLS customers. Any employee who sees an opportunity for improvement is encouraged to talk it over with management. All suggestions are valued.

## 9.5 Closing Statement

Successful working conditions and relationships depend upon successful communication. It is important that employees stay aware of changes in procedures, policies, and general information. It is also important to communicate ideas, suggestions, personal goals, or problems as they affect work at MCFLS.

## APPENDIX A – HEALTH INSURANCE

### 1. Benefits

MCFLS shall provide paid health coverage for regular full-time MCFLS employees (hereafter referred to as employees). MCFLS will pay, for full-time employees, not more than 88% of the average premium cost of plans as provided by Sec. 40.05)(ac)(2). Wis. Stats. Part-time staff that desire coverage pay a pro-rated share of the cost. See Business Manager for specific costs.

Each employee that takes health insurance coverage will contribute at least ~~40~~12% of the premium costs attributable to the specific coverage he/she elects. An employee that picks a health insurance plan other than the least expensive available will pay the ~~40~~12% of the least expensive and the difference between the total cost for the least expensive plan and the actual cost of the plan selected. A table of monthly premium costs and employee required premium contributions will be available on an annual basis from the Business Manager who obtains the cost information from the State of Wisconsin Employee Trust Funds where we obtain the insurance. All eligible employees may participate in the MCFLS-contracted Health Care Program. The specific details of the program are set forth in the underlying plan documents.

- a. MCFLS shall have the right to establish the methods, measures and procedures it deems necessary to restrict excessive costs in the application of the benefits.
- b. MCFLS, in conjunction with its insurance administrator, carrier, or provider shall have the right to develop and implement any other cost containment measure it deems necessary.

### 2. Eligibility for Benefits

- a. An employee in active service ~~working at least 30 hours a week~~ who meets the eligibility requirements under the plan shall be entitled to health insurance benefits at his/her option.
- b. An employee shall not be eligible for paid health insurance benefits provided under section 1 during the time period he/she is initially employed on a provisional, temporary or emergency basis, except as mandated by the plan.
- c. ~~An employee in active service shall be entitled to Dental Plan benefits provided herein, so long as he/she remains in active service. All employees, while in active service, shall be entitled to participate in the Dental Plan as described under section 3, with the same enrollment status that they maintain for their health insurance benefits. Individuals not in active service shall not be entitled to participate in the Dental Plan. Part-time staff that desire coverage pay a pro-rated share of the cost. See Business Manager for specific costs.~~

MCFLS Employment Handbook

- e. **Duty Disability Retirement:** An employee in active service who commences receiving a duty disability retirement pursuant to the Wisconsin Retirement System shall be entitled to health insurance benefits provided: a) the employee is covered by MCFLS health insurance immediately prior to retirement, b) is still eligible for the disability retirement, c) is not eligible for health insurance from any other source, and d) is less than age 65. Coverage must be maintained continuously and no plan reentry will be allowed. The cost of enrollment shall be consistent with the terms provided in sections 1. and 2.a. The retiree shall pay the stipulated co-pay on a monthly basis or coverage will terminate. All coverage will terminate, in any event, at age 65 or eligibility for Medicare, whichever occurs first. Any employee hired on or after January 1, 2004 is not eligible for any health insurance coverage for the period of time between the end of active service and eligibility for Medicare or age 65.
- f. **Eligible Retirement:** An employee in active service who retires, applies for and receives an eligible retirement annuity (as this term is defined under the applicable provisions of the Wisconsin Retirement System) shall be entitled to the health insurance benefits provided: a) the employee has at least 15 years of creditable service with the City and/or MCFLS, b) the employee is covered by MCFLS insurance immediately prior to retirement, and c) is not eligible for health insurance from any other source. Coverage must be maintained continuously and no plan reentry will be allowed. If a retiree eligible for these benefits dies prior to 65, the retiree's surviving spouse shall be eligible for these benefits until the last day of the month in which the deceased retiree would have obtained age 65. The cost of enrollment shall be consistent with the terms provided in sections 1 and 2.a., the retiree/spouse shall pay the stipulated co-pay on a monthly basis or coverage will terminate. All coverage will terminate for the spouse and/or retiree, in any event, at age 65 as set forth in this paragraph or eligibility for Medicare, whichever occurs first.
- Any employee hired on or after January 1, 2004 is not eligible for any health insurance coverage for the period of time between the end of active service and eligibility for Medicare or age 65.

**3. Dental Plan**

All eligible employees may participate in the dental plan. The specific details of the program are set forth in the underlying plan documents. Part-time staff working at least 30 hours per week that desire coverage pay a pro-rated share of the cost. Coverage begins 30 days after hire date and ends immediately on termination date. See Business Manager for specific costs.

**4. Cost of Coverage -- Dental Plan**

MCFLS will contribute an amount equal to the total cost of the dental plan for full-time employees. Part-time staff will pay a pro-rated cost based on the number of hours worked

**5. Non-duplication**

MCFLS Employment Handbook

- a. If more than one MCFLS employee is a member of the same family, as that term is defined in provisions of the Plans defined in sections 1 or 3 above, the coverage shall be limited to one family plan.
- b. In the event a program of health insurance is adopted by the Federal or State government and MCFLS is required to, or elects to participate in it, benefits under MCFLS Plan shall be coordinated with such systems but shall not operate to increase or diminish the extent of the coverage.

**6. Employees on Leave of Absence**

- a. An employee who exhausts his/her paid sick leave and is on an unpaid medical leave during the term of this Agreement may maintain his/her single or family plan benefits for six months as if he/she were actively employed and for an additional six months by electing COBRA coverage continuation and paying the full premium for his/her plan.
- b. An employee who is on an authorized leave of absence may elect to be covered by the benefits in section 1 by electing COBRA coverage continuation and paying the full premium for his/her plan.
- c. An employee on an unpaid educational leave or any leave other than a medical leave as listed above may maintain his/her single or family plan benefits by electing COBRA coverage continuation and by paying the full premium for his/her selected plan for up to twelve months.

**7. Right of MCFLS to Select Carrier**

It shall be the right of MCFLS to select and, from time to time, to change any of its carriers that provide the benefits set forth in section 1 ~~provided that:~~

**8. Death of Employee – Dependent Coverage**

Upon an employee's death, Guardian grants six months of survivorship coverage free of charge to deceased covered family. There is no ability to seek additional COBRA coverage since MCFLS employs under 20 employees.

**98. Vision Plan**

MCFLS offers a vision plan for all full-time employees. The specific details of the plan are set forth in the underlying plan documents. MCFLS shall contribute an amount equal to the full cost of the Vision Plan. Part-time staff that desire coverage pay a pro-rated share of the cost. See Business Manager for specific costs.

Formatted: Indent: Left: 0", First line: 0"

Formatted: Font: 11 pt, Bold

Formatted: Font: 11 pt

Formatted: Indent: Left: -0.13", Hanging: 0.13"

Formatted: Indent: Left: 0", Hanging: 0.94"

Formatted: Indent: Left: 0", First line: 0"

Formatted: Indent: Left: 0", Line spacing: Exactly 11.5 pt, Don't hyphenate, Tab stops: 0.93", Left + 1.42", Left + 1.9", Left + 2.38", Left + 3.02", Left

Formatted: Indent: Left: 0"

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 61



## APPENDIX B – LIFE INSURANCE

### Amount of Life Insurance Coverage

Base Coverage. The amount of base coverage to which an employee under age 70 is eligible shall be equal to the employee's annual base salary to the next higher thousand dollars of earnings. The specific details of the plan are set forth in the underlying plan documents.

### Adjustment of Coverage

The amount of life insurance coverage to which an employee is entitled shall be adjusted semiannually on January 1 and July 1 of the calendar year to reflect changes in the employee's annual base salary rate.

### Conditions and Eligibility for Election of Coverage

The election of life insurance coverage shall be in a manner prescribed by MCFLS.

An employee meeting the eligibility requirements for election of life insurance coverage must make such election prior to the date his/her eligibility is first established. If the employee fails to make such election within this time limit, the election shall be made only on such terms and conditions as are established and maintained from time to time by MCFLS and/or its life insurance carrier.

An employee shall become entitled to the life insurance coverage provided under "Amount of Life Insurance Coverage" above, the first of the month following his/her eligibility date.

---

MCFLS Employment Handbook

---

### **Cost of Life Insurance Coverage**

Employees eligible for the life insurance coverage described under "Amount of Life Insurance Coverage" above, who elect such coverage, shall pay to MCFLS an amount equal to the actual cost per month, for each \$1,000 of coverage in excess of \$ 30,000. An employee, entitled to and electing additional coverage shall pay the actual cost per month, for each \$1000 of that additional coverage. These payments shall be accomplished by periodic deductions from employees' biweekly pay checks.

### **Conditions and Limitations on Benefits**

- a. An employee eligible to elect life insurance coverage may elect the maximum amount to which he/she is entitled to under "Amount of Life Insurance Coverage" above.
- b. The life insurance benefits provided hereunder shall only cover employees while they are in active service.
- c. The terms and conditions for receipt of the life insurance benefits provided hereunder shall be as provided for either in the contract between MCFLS and the carrier providing the benefits or, if MCFLS elects to provide these benefits on a self-insured basis, by MCFLS.

### **Right of MCFLS to Change Carrier**

It shall be the right of MCFLS to select and, from time to time, to change the carrier(s) that provide the benefits set forth above. MCFLS shall, at its sole option, have the right to provide these life insurance benefits on a self-insured basis.

MCFLS Employment Handbook

DRAFT

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 64

## APPENDIX C – ABSENCE REDUCTION PROGRAM

The program for absenteeism reduction is not intended to create undue hardship for any employee, but is designed to make employees aware of their responsibilities toward regular attendance. The use of corrective action steps outlined in this program does not imply that an employee is “abusing” sick leave. This approach assumes excessive sick leave usage but no falsification or dishonesty. If an employee is found to have falsified, misrepresented or misused sick leave, disciplinary measure would be instituted.

### A. Occurrences

The absence reduction program is based upon counting the number of occurrences of illness by an employee within a specific period of time. An “occurrence” is one continuous period of absence from work, regardless of length, which is due to illness, non-work related injury, pregnancy, or medical or dental appointments. Absences for employees who are not eligible for sick leave, or who have run out of sick leave and are using vacation or deduct time for illness will be counted as occurrences.

NOT COUNTED as occurrences are:

Absences which are less than four hours each (includes most medical and dental appointments) unless they are excessive.

Approved use of paid or unpaid time under the Family and Medical Leave policy.

### B. Corrective Action Steps

The corrective action steps listed below are to be followed for all employees except for those employees on their initial probationary period. Employees on their initial probation who have not exhibited an acceptable attendance record are to be terminated.

While the following action steps are strongly recommended, there may be instances in which exceptions to the prescribed steps will need to be made. The decision on what course of action to take in such instances should be made by the supervisor, in collaboration with the Director. Such cases will be handled on an individual basis.

#### 1. Discussion with Employee

Discussion with the employee after four or five occurrences of illness in twelve months is highly recommended. The discussion is not a verbal warning to the employee. The intent of the discussion is to inform the employee about their frequency of absences due to illness and remind the individual of the sick leave reduction policy. This step may be used alone or in conjunction with the Sick Leave Letter #1.

---

MCFLS Employment Handbook

---

## 2. Sick Leave Letter #1

The first sick leave letter informs the employee how many times (and hours) he/she has been absent due to illness and states that improvement needs to be made. The employee is encouraged to develop an effective health plan that will improve his/her health and reduce time away from work.

The first sick leave letter is to be issued to an employee after six occurrences of absence due to illness, non-work related injury, pregnancy, or medical or dental appointments in a given twelve month period. (If an employee has been absent on four or five occasions and each absence consists of a significant number of days, the sick leave letter may be used). The supervisor should discuss with the employee why the letter is being issued and what the next corrective action step (see Sick Leave Letter #2) will be.

## 3. Sick Leave Letter #2

The second sick leave letter is to be issued to an employee after three occurrences of absence due to illness, non-work related injury, pregnancy, or medical appointments occur within the six month period after Sick Leave Letter #1 was issued (or after two occurrences if each occurrence consists of a significant number of days). At this point, disciplinary action, up to and including termination, will be employed.

---

MCFLS Employment Handbook

**RECEIPT AND ACKNOWLEDGEMENT OF THE MILWAUKEE  
COUNTY FEDERATED LIBRARY SYSTEM EMPLOYMENT  
HANDBOOK**

**Please read the following statements, sign below and return to the MCFLS  
Business Manager.**

**Understanding and Acknowledging Receipt of the MCFLS Employee Handbook**

I have received and read a copy of the MCFLS Employee Handbook. I understand that the policies and benefits described in it are subject to change at the sole discretion of MCFLS at any time.

**Confidential Information**

I am aware that during the course of my employment confidential information may be made available to me, for instance, borrower information, employee information, contract information and other related information. I understand that this information is proprietary of MCFLS and must not be given out or used outside of MCFLS premises or with non-MCFLS employees. In the event of termination of employment, whether voluntary or involuntary, I hereby agree not to utilize or exploit this information with any other individual or company.

\_\_\_\_\_  
Employee's Printed Name

\_\_\_\_\_  
Position

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

Effective MM/DD/YY The Milwaukee County Federated Library System at its option, may change, delete, suspend or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any action shall apply to existing as well as to future employees.

Page 67

MCFLS  
Financial Report  
For the Seven Months Ending July 31, 2022

		<u>Annual Budget</u>	<u>Year to Date</u>	<u>%</u>	<u>Balance</u>	<u>%</u>
1						
2						
3	<b>General Revenues</b>					
4	State Aid Revenue	\$ 3,301,094	\$ 3,301,099	(100.00)	\$ (5)	0.00
5	Milwaukee County Allocation	\$ 66,650	\$ 66,650	(100.00)	\$ -	0.00
6	West Milwaukee Contract -Other	\$ 38,180	\$ 41,009	(107.41)	\$ (2,829)	7.41
7	Interest on Invested Funds	\$ 7,500	\$ (9,267)	123.56	\$ 16,767	(223.56)
8	Member Forms/Supplies Rev (58)	\$ 18,100	\$ 8,087	(44.68)	\$ 10,013	(55.32)
9	Member Postage Revenue (57)	\$ 20,900	\$ 5,949	(28.46)	\$ 14,951	(71.54)
10	Member OCLC Revenue (69)	\$ 127,336	\$ 127,337	(100.00)	\$ (1)	0.00
11	Member Telecomm. Revenue (67)	\$ 16,800	\$ 16,800	(100.00)	\$ -	0.00
12	Member Softwre Maint-Basic (65)	\$ 185,717	\$ 185,717	(100.00)	\$ -	0.00
13	Member Softwre Maint-Other (65)	\$ 49,938	\$ 49,938	(100.00)	\$ -	0.00
14	Member Tech. Assist.-Time Rev.	\$ 20,000	\$ 12,716	(63.58)	\$ 7,284	(36.42)
15	Member Special Projects Rev (73)	\$ 70,000	\$ 32,938	(47.05)	\$ 37,062	(52.95)
16	Member Catalog Contract Rev (79)	\$ 151,176	\$ 151,176	(100.00)	\$ -	0.00
17	Member Database Rev (54)	\$ 34,035	\$ 14,970	(43.98)	\$ 19,065	(56.02)
18	Member EcomTransaction Fees (42)	\$ 6,800	\$ 3,496	(51.41)	\$ 3,304	(48.59)
19	Carryover Revenue	\$ 15,000	\$ -	0.00	\$ 15,000	(100.00)
20	Staff Benefits/Co-Pay Revenue	\$ 58,875	\$ 25,296	(42.97)	\$ 33,579	(57.03)
21	LSTA Technology Grant Revenue	\$ 36,014	\$ -	0.00	\$ 36,014	(100.00)
22	Member Digital Content Rev (90)	\$ 243,299	\$ 158,302	(65.06)	\$ 84,997	(34.94)
23	Member PC Mngmt License Rev	\$ 2,545	\$ 1,287	(50.57)	\$ 1,258	(49.43)
24	Member Replace Fines Rev (89)	\$ 7,000	\$ 3,811	(54.44)	\$ 3,189	(45.56)
25	Member Overdrive Adv Rev (90)	\$ 15,000	\$ 15,002	(100.01)	\$ (2)	0.01
26	<b>Total General Revenues</b>	\$ 4,491,959	\$ 4,212,313	(93.77)	\$ 279,646	(6.23)
27						
28	<b>Special Revenues</b>					
29	Milw Co Advantage Rev (96)	\$ 50,000	\$ -	0.00	\$ 50,000	(100.00)
30	W. Milw Borrowing Rev (97)	\$ 46,378	\$ 46,378	(100.00)	\$ -	0.00
31	Ecommerce Revenue (101)	\$ 175,000	\$ 126,899	(72.51)	\$ 48,101	(27.49)
32	<b>Total Special Revenues</b>	\$ 271,378	\$ 173,277	(63.85)	\$ 98,101	(36.15)
33						
34	<b>Total Revenues</b>	\$ 4,763,337	\$ 4,385,590	(92.07)	\$ 377,747	(7.93)
35						
36		<u>Annual Budget</u>	<u>Year to Date</u>	<u>%</u>	<u>Balance</u>	<u>%</u>
37						
38	<b>General Expenditures</b>					
39	Fringe Benefits Expense	\$ 273,215	\$ 128,280	46.95	\$ 144,935	53.05
40	Salaries Expense	\$ 431,956	\$ 244,052	56.50	\$ 187,904	43.50
41	Telephone Renewal Expense	\$ 750	\$ 340	45.33	\$ 410	54.67
42	Member Ecom Transact Exp (18)	\$ 6,800	\$ 3,015	44.34	\$ 3,785	55.66
43	TNS Calls/Notices Expense	\$ 1,450	\$ 680	46.90	\$ 770	53.10
44	Conference/Training Expense	\$ 5,000	\$ 623	12.46	\$ 4,377	87.54
45	Memberships Expense	\$ 6,500	\$ 7,126	109.63	\$ (626)	(9.63)
46	Continuing Education Expense	\$ 9,000	\$ -	0.00	\$ 9,000	100.00
47	Office Supplies Expense	\$ 1,500	\$ 762	50.80	\$ 738	49.20
48	Copy Machine Maint. Expense	\$ 2,500	\$ 304	12.16	\$ 2,196	87.84
49	MCFLS Printing Expense	\$ 500	\$ 33	6.60	\$ 467	93.40
50	MCFLS Printing for Mem Expense	\$ 5,000	\$ -	0.00	\$ 5,000	100.00
51	MCFLS WI Pub Lib Consortium Ex	\$ 6,586	\$ 6,586	100.00	\$ -	0.00
52	MCFLS Buying Pool	\$ 145,000	\$ 60,000	41.38	\$ 85,000	58.62
53	MCFLS Database Expense	\$ 97,453	\$ 96,883	99.42	\$ 570	0.58
54	Member Database Expense (17)	\$ 34,035	\$ 14,965	43.97	\$ 19,070	56.03
55	MCFLS Catalog Enhancement Expe	\$ 141,829	\$ 141,913	100.06	\$ (84)	(0.06)
56	MCFLS Postage Expense	\$ 600	\$ 299	49.83	\$ 301	50.17
57	Member Postage Expense (9)	\$ 18,100	\$ 8,500	46.96	\$ 9,600	53.04
58	Member Forms/Supplies Exp (8)	\$ 20,900	\$ 14,005	67.01	\$ 6,895	32.99
59	Telephone Expense	\$ 7,000	\$ 2,751	39.30	\$ 4,249	60.70
60	Meetings Expense	\$ 1,000	\$ 492	49.20	\$ 508	50.80
61	Insurance Expense	\$ 12,400	\$ 11,411	92.02	\$ 989	7.98
62	Legal Expense	\$ 500	\$ 300	60.00	\$ 200	40.00
63	Audit Expense	\$ 12,500	\$ 6,984	55.87	\$ 5,516	44.13
64	Payroll Service Expense	\$ 5,400	\$ 2,733	50.61	\$ 2,667	49.39

M.C.F.L.S.  
Financial Report  
For the Seven Months Ending July 31, 2022

65	III Software Support (12/13)	\$ 235,655	\$ 211,988	89.96	\$ 23,667	10.04
66	III TNS Subscr Exp	\$ 12,224	\$ 12,530	102.50	\$ (306)	(2.50)
67	Member Telecomm. Expense (11)	\$ 16,800	\$ 8,400	50.00	\$ 8,400	50.00
68	MCFLS Telecomm. Maint. Expense	\$ 30,000	\$ 35,040	116.80	\$ (5,040)	(16.80)
69	OCLC Expense (10)	\$ 135,047	\$ 137,388	101.73	\$ (2,341)	(1.73)
70	MCFLS Computer Room Equipment	\$ 10,000	\$ 657	6.57	\$ 9,343	93.43
71	MCFLS Software Expense	\$ 7,000	\$ 1,432	20.46	\$ 5,568	79.54
72	MCFLS Equipment Expense	\$ 15,000	\$ 4,459	29.73	\$ 10,541	70.27
73	Member Special Projects (15)	\$ 70,000	\$ 34,581	49.40	\$ 35,419	50.60
74	Sorting and Delivery Expense	\$ 291,700	\$ 148,179	50.80	\$ 143,521	49.20
75	MPL Resource Contract Expense	\$ 206,318	\$ 103,158	50.00	\$ 103,160	50.00
76	MPL Rent Lease Contract Exp.	\$ 129,815	\$ 47,694	36.74	\$ 82,121	63.26
77	ILS Expense	\$ 36,450	\$ 18,225	50.00	\$ 18,225	50.00
78	MCFLS Catalog Cont Exp to MPL	\$ 297,098	\$ 148,550	50.00	\$ 148,548	50.00
79	Member Catalog Contract (16)	\$ 151,176	\$ 75,588	50.00	\$ 75,588	50.00
80	MCFLS Collection Dev Tool Exp	\$ 26,972	\$ -	0.00	\$ 26,972	100.00
81	Internet Expense	\$ 21,635	\$ 11,409	52.73	\$ 10,226	47.27
82	Contingency Expense	\$ 32,895	\$ 13,533	41.14	\$ 19,362	58.86
83	LSTA Technology Grant Exp (21)	\$ 36,014	\$ 68,008	188.84	\$ (31,994)	(88.84)
84	Member Digital Content Exp (22)	\$ 243,299	\$ 158,299	65.06	\$ 85,000	34.94
85	Marketing Expense	\$ 45,000	\$ 15,433	34.30	\$ 29,567	65.70
86	Cooperative Purchasing Sub Exp	\$ 2,500	\$ -	0.00	\$ 2,500	100.00
87	Member PC Mngmt License Ex	\$ 1,875	\$ 1,876	100.05	\$ (1)	(0.05)
88	Member MKE Mixer Exp	\$ 1,400	\$ 34	2.43	\$ 1,366	97.57
89	Member Replacement Fines (24)	\$ 7,000	\$ 3,811	54.44	\$ 3,189	45.56
90	Member OverDrive Advant (25)	\$ 15,000	\$ -	0.00	\$ 15,000	100.00
91	Youth Services Exp	\$ 10,000	\$ -	0.00	\$ 10,000	100.00
92	Inclusive Services Exp	\$ 10,000	\$ -	0.00	\$ 10,000	100.00
93	<b>Total General Expenditures</b>	<b>\$ 3,345,347</b>	<b>\$ 2,013,309</b>	<b>60.18</b>	<b>\$ 1,332,038</b>	<b>39.82</b>
94						
95	<b>Special Expenditures</b>					
96	Milw Co Advantage Exp (29)	\$ 50,000	\$ -	0.00	\$ 50,000	100.00
97	W. Milw Borrowing Exp (30)	\$ 46,378	\$ 46,378	100.00	\$ -	0.00
98	RB - MCFLS Payment Expense	\$ 1,056,468	\$ 1,056,467	100.00	\$ 1	0.00
99	RB - MCFLS Reserve	\$ 48,144	\$ -	0.00	\$ 48,144	100.00
100	ILS Migration Reserve	\$ 42,000	\$ -	0.00	\$ 42,000	100.00
101	Ecommerce Expense (31)	\$ 175,000	\$ 93,941	53.68	\$ 81,059	46.32
102	<b>Total Special Expenditures</b>	<b>\$ 1,417,990</b>	<b>\$ 1,196,786</b>	<b>84.40</b>	<b>\$ 221,204</b>	<b>15.60</b>
103						
104	<b>Total Expenditures</b>	<b>\$ 4,763,337</b>	<b>\$ 3,210,095</b>	<b>67.39</b>	<b>\$ 1,553,242</b>	<b>32.61</b>
105						
106	<b>Revenue/Expenditures +/-</b>		<b>\$ 1,175,495</b>			



[Overview to the CountyCat Mobile app \[video | 3:33\]](#)

[SUPPORT FOR PUBLIC IS ON THE MCFLS WEB PAGE](#)  
(Under Digital Resources). Here is the FAQ page

The screenshot shows the Milwaukee County Federated Library System website. At the top, there is a navigation bar with links for MEMBERS, DIGITAL RESOURCES, and SERVICES & SUPPORT. Below this, the page is titled "Help with the CountyCat Mobile App". It features two columns of expandable FAQ items. The left column includes questions about library changes, login status, operating systems, reading history, linked accounts, and smart device updates. The right column includes questions about finding the app, showing barcodes, hold pickups, OverDrive checkouts, barcode scanning on iPhones, and school ID integration. Below the FAQ sections, there are two "Self Checkout Help" sections, each with expandable questions about using self-checkout, item placement, item eligibility, and gate access.

[STAFF SUPPORT IS ON MCFLS LIBGUIDES](#)  
(Under Digital Resources)

The screenshot shows the CountyCat Mobile App information page. On the left is a sidebar menu with links to various resources, including "CountyCat Mobile App". The main content area has a top navigation bar with links for App Features & Links, Public Training & Handouts, For Staff, Self Check & Curbside Pickup, and Background Information. Below this, the "APP LINKS" section provides information about the app's availability on Google Play and iOS App stores as of July 25, 2022. The "FEATURES" section lists capabilities such as searching by location and format, placing holds, managing accounts, tracking reading history, displaying barcodes, and performing self-checkout. On the right side of the page, there is a preview of the app's user interface, showing a search bar, a "New Fiction" section with book covers, and a sidebar menu with options like "How To Log In", "My Account", "Locations & Hours", "Your Digital Library", and "Fines Payment".



**709 North Eighth Street  
Milwaukee, WI 53233**

**PH: 414-286-8149**

**FAX: 414-286-3209**

August 15<sup>th</sup>, 2022

July/August 2022 Director's Report

### Summary of activities

#### Workforce Development Activities

- I met again with representatives from the Worker Connection team from DWD on August 8<sup>th</sup> to talk about partnerships and services within libraries. Worker Connection offers one-on-one services to job seekers like resume building and completing job applications.
- I have set up an online meeting for directors and Worker Connection staff on August 24<sup>th</sup> to get an overview of the program and how libraries can participate. The hope is to have at least 6 libraries participate and host sessions. Milwaukee Public Library is also working to host sessions starting in October.

#### InfoPass Resource Sharing

- I have been working since June on a revamped version of InfoPass and the initial deadline for participation was August 1<sup>st</sup>. We have 19 participating institutions including Marquette, UWM, Alverno, MIAD and MSOE.
- The new process will go live on August 15<sup>th</sup>. Our InfoPass Steering committee met on August 10<sup>th</sup> to go over any last minute changes to the process and will meet again later in the year to review how transactions are working. MCFLS is the project manager and fiscal agent for the InfoPass project, which provides just in time resource sharing between academic, public and special libraries.

#### Outreach Activities

- Jim Tiderman, myself and Maayan Silver from Milwaukee NPR met on August 12<sup>th</sup> to participate in a segment on our delivery services for the Bubbler Talk series. We went over the process of how a book goes from library to library through our delivery service.
- I met with both Jen Gerber (Shorewood) and Rhonda Gould (North Shore) who have taken over director positions at their libraries in recent months. We went over how the system works and went over some of the specifics related to MCFLS such as system services, the staff at MCFLS and financial reports and billing.

### Upcoming Activities

1. Finalizing the 2023 system budget and system plan. Both items will be brought to the Finance and Personnel (budget) and Legislative and System Services committees (system plan) in September.
2. Guiding libraries through implementation of the ARPA materials lockers project.