

AGENDA
BELVEDERE TIBURON LIBRARY AGENCY
Regular Meeting of Monday, September 20, 2021, 6:15pm
Belvedere Tiburon Library
1501 Tiburon Blvd, Tiburon, California

This meeting will be held remotely via Zoom. The meeting can be accessed beginning at 6pm at the following address: <https://us02web.zoom.us/j/81017429591?pwd=YVhUNjU0FwYWgyNjVldUpUdFA0UT09>

Meeting ID: 810 1742 9591 Password: 798611

CALL TO ORDER/ROLL CALL

OPEN FORUM

This is an opportunity for any citizen to briefly address the Board of Trustees on any matter that does not appear on this agenda. Upon being recognized by the Chair, please state your name, address, and limit your oral statement to no more than three minutes. Matters that appear to warrant a lengthier presentation or Board consideration may be placed on the agenda for further discussion at a later meeting.

STAFF BOARD AND COMMITTEE REPORTS

1. Chair's Report – Jeff Slavitz, Agency Treasurer (2 minutes)
2. Library Director's Report, - Deborah Mazzolini, Library Director (5 minutes)
3. Expansion Update – Glenn Isaacson, Project Manager (5 minutes)
4. Belvedere Tiburon Library Foundation Report (5 minutes)
5. Belvedere Tiburon Library Agency Treasurer's report on Expansion Line of Credit
6. Agency Financial Statements, August 2021
7. Committee Reports (5 minutes)
 - Director Search Committee Report-Ken Weil, Vice Chair (10 minutes)
 - Director Position Advertisement and Search Schedule
 - Public Comment on Selection Criteria for Candidate

CONSENT CALENDAR – 2 MINUTES

The purpose of the Consent Calendar is to group items together which generally do not require discussion and which will probably be approved by one motion unless separate action is required on a particular item. Any member of the Agency may request removal of an item for discussion.

8. Approval of Agency Minutes of August 16, 2021
9. Approval of Agency Warrants dated August, 2021

TRUSTEE CONSIDERATIONS

The purpose of Trustee Considerations is to list items for discussion and potential action.

10. **Consideration of continuing with the process of soliciting rooftop solar proposals.**
Recommendations by Glenn Isaacson, Project Manager
11. **Consideration of perspectives on Pension Obligation Bonds for Unfunded Pension Liabilities.**
Presentation of pro and con perspectives by Actuaries Doug Pryor and Marilyn Oliver of Bartel and Associates.
12. **Consideration of continuing the Pension Obligation Bond process with Wulff Hansen & Co.**

AGENDA, Continued
BELVEDERE TIBURON LIBRARY AGENCY
Regular Meeting of Monday, *October 20, 2021*, 6:15pm
Belvedere Tiburon Library
1501 Tiburon Blvd, Tiburon, California

COMMUNICATIONS & ANNOUNCEMENTS

13. Schedule of 2021/2022 Meeting Dates

NOTICE

AMERICANS WITH DISABILITIES ACT

The following accommodations will be provided, upon request, to persons with a disability: agendas and/or agenda packet materials in alternate formats; special assistance needed to attend or participate in this meeting. Please make your request at the office of the Administrative Assistant or by calling (415) 789-2660. Whenever possible, please make your request three days in advance.



September 16, 2021

To: Jeff Slavitz, Chair, Library Agency Trustees and Debbie Mazzolini, Library Director
 From: Glenn Isaacson, Project Manager
 Subject: Expansion Project Activity Report No. 19

Activities Accomplished:

At the exterior, curbs and gutters, sidewalks and trellis supports have been formed and poured in the parking lot. Mass grading for the eastern berm has been completed and fine grading continues.

Retention basin 3 has been poured and backfilled.

Excavation for Retention basin 4 is completed.

Light standards have been installed in the parking area and the wood trellis leading to the north entry is underway.

Curb cuts and new sidewalks on Mar West Street to the North Parking lot are being graded and formed.

Revised lower plaza plans have been approved by the Town.

The new water connection and back-flow preventer have been tested by MMWD and approved.

Roadway paving at the median strip on Tiburon Blvd. was installed and the median turned over to the Town.

At the interior, most ceilings, and walls to receive paint have been painted.

The new Computer Room racks are installed and ready to receive connections.

Ceiling grids for lay-in ceilings are being installed.

PG&E has installed the new transformer and energized the new main switch gear.

The furniture vendor has received departmental requirements and has produced initial lay-outs for approval.

Plumbing stub outs are installed in the restrooms.

The murals have been installed in the new Children's Library and look SPECTACULAR!!

Looking ahead the following activities will occur in the next several weeks:

Electric and data cabling will continue to be pulled and receptacles and switches will be covered.

Wood ceiling slats will be installed in the Founders Room and the Nave extension.

Light fixtures will be installed.

Casework and wood trim will arrive onsite for installation.

Plumbing will be installed for the re-modeled restrooms.

Completion of asphalt paving for the elongation of the left turn lane from Tiburon Blvd. into Mar West Street.

The interiors architect and furniture vendor will present furniture selections for approval.

The working out all the details of the migration of staff, furniture, and books to the “new” spaces to turn over the existing building to the Contractor to perform the interior refurbishing work in the existing building will continue.

New furniture will arrive for the new Children’s Library.

Longer term activities include:

Installation of AT+T and comcast services in new computer room.

Commencement of final finishes, installation of doors and casework at the interior.

Improvements to the lower plaza and handicap facilities in Tiburon Blvd. will be undertaken.

Overview:

The revised Total Development Cost Budget of \$17,685,000 holds.

Please note that the proposed additional scope items such as Solar panels and battery storage, emergency generation and unforeseen conditions are not included in the Project Budget.

The Library Agency decided on a rooftop panel system of and four to seven hours of battery storage with timing to be determined.

The projected date for initial occupancy of the expansion space by staff is now October and occupancy of the completed project is now moved to February 2022.

END.

Statement of Revenues
Period Ending August 31, 2021

6-1

	FY 2021-22			FY 2020-21		
	Budgeted	YTD Actual	%	Budgeted	YTD Actual	%
GENERAL FUND						
Basic Library Tax	\$ 2,159,580	\$ -	0.0%	\$ 2,067,703	\$ 126	0.0%
Parcel Tax	\$ 275,000	\$ -	0.0%	\$ 275,000	\$ -	0.0%
ERAF	\$ 523,000	\$ -	0.0%	\$ 400,000	\$ -	0.0%
Grants	\$ 60,000	\$ -	0.0%	\$ 62,820	\$ -	0.0%
Desk Revenue Sales & Fines	\$ 7,000	\$ -	0.0%	\$ 6,929	\$ -	0.0%
Interest Income	\$ 19,966	\$ 170	0.0%	\$ 31,329	\$ 337	1.1%
Misc. Other Revenue	\$ 2,930	\$ -	0.0%	\$ 2,931	\$ -	0.0%
TOTAL GENERAL FUND	\$ 3,047,476	170	0.0%	\$ 2,846,712	\$ 463	0.0%
DEBT SERVICE						
Principal Repayment	\$ (85,000)	\$ -	0.0%	\$ (80,000)	\$ -	0.0%
Bond Interest	\$ (32,550)	\$ -	0.0%	\$ (37,500)	\$ -	0.0%
Fiscal Agent Fees	\$ (12,500)	\$ -	0.0%	\$ (12,500)	\$ -	0.0%
TOTAL DEBT SERVICE	\$ (130,050)	\$ -	0.0%	\$ (130,000)	\$ -	0.0%
TOTAL REVENUE AFTER DEBT SERVICE	\$ 2,917,426	170	0.0%	\$ 2,716,712	\$ 463	0.0%

Percent of Year Complete	16.7%
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- (1) Basic and Parcel Tax Revenue 55% of tax revenue is received in December
45% of tax revenue is received in April
- (2) ERAF 54% of ERAF revenue is received in January
46% of ERAF revenue is received in June
- (3) BTLF Grants Endowment grant is received in September
Corner Books and Annual Appeal grants are received in June

Belvedere-Tiburon Library Agency
Statement of Expenditures
Period Ending August 31, 2021

6-2

	FY 2021-22			FY 2020-21		
	Budgeted	YTD Actual	%	Budgeted	YTD Actual	%
GENERAL FUND						
Personnel	\$ 2,065,293	\$ 411,364	19.9%	\$ 1,964,336	\$ 388,196	19.8%
Books, Services & Supplies	\$ 284,510	\$ 120,629	42.4%	\$ 289,670	\$ 139,577	48.2%
Technology Services (4)	\$ 120,300	\$ 21,214	17.6%	\$ 111,300	\$ 15,487	13.9%
Services & Supplies (6)	\$ 112,000	\$ 8,888	7.9%	\$ 105,500	\$ 14,061	13.3%
Building Expenses (5)	\$ 254,204	\$ 75,009	29.5%	\$ 158,909	\$ 34,074	21.4%
Agency Administration	\$ 63,120	\$ 1,643	2.6%	\$ 61,420	\$ 2,198	3.6%
TOTAL GENERAL FUND	\$ 2,899,427	638,748	22.0%	\$ 2,691,135	\$ 593,592	22.1%
ADDITIONS & IMPROVEMENTS						
Technology & Equipment	\$ 8,000	\$ -	0.0%	\$ 8,000	\$ -	0.0%
Building Furniture & Fixtures	\$ 10,000	\$ -	0.0%	\$ 20,000	\$ -	0.0%
TOTAL ADDITIONS & IMPROVE	\$ 18,000	\$ -	0.0%	\$ 28,000	\$ -	0.0%
TOTAL OPERATING EXPENDITURES	\$ 2,917,427	\$ 638,748	21.9%	\$ 2,719,135	\$ 593,592	21.8%
NON-OPERATING EXPENSES						
Transfer to Bldg Maintenance Res	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%
Use Building Reserve	\$ -	\$ -		\$ -	\$ -	
TOTAL NON-OPERATING EXP	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%
USES OF RESERVES - EXPANSION						
Transfer to Expansion Project	\$ 1,000,000	\$ -				
Expansion LOC Principal	\$ -	\$ -				
Expansion LOC Interest	\$ 112,231	\$ -				
EXPANSION ACTIVITY						
Expansion Funds Income (7)	\$ 4,054,161	\$ 1,300,000	32.1%	\$ 13,000,000	\$ 800,025	6.2%
Less: Expansion Expenditures (7)	\$ 4,054,161	\$ 1,156,514	28.5%	\$ 13,000,000	\$ 860,789	6.6%
NET EXPANSION ACTIVITY	\$ -	\$ 143,486		\$ -	\$ (60,764)	

Percent of Year Complete	16.7%
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|----------------------------------|---|
| (4) Technology Services | Annual MARINet charge is paid in July/August. There are other small MARINet expenses paid throughout the year |
| (5) Building Expenses | Building and Liability insurance is paid in July. |
| (6) Public Relations and Postage | Three to Four newsletters are produced annually: Fall, Winter, Spring, and Special Issue (if appropriate). Costs in the Public Relations and Postage line items show an increase at those times |
| (7) Expansion Activity | Transfer of Funds from Foundation can be a slight timing difference across fiscal year from the timing of related expenditures. |

Search Committee Report – Niran Amir, Jeff Slavitz and Ken Weil

At the August 16th Agency meeting two questions were raised. The first was about the number of surveys that were filled out online. There were approximately 71 respondents to the surveys that included the Agency, Foundation Board, stakeholders, and the public. Since the August meeting the job announcement has been placed on Bradbury Miller's website and posted on 49 library-specific web sites/listservs and job boards. It was also included in BMA's most recent e-newsletter that reaches over 1,700 library professionals.

As of September 14th, BMA reported that there are 12 applicants. BMA has begun the process of one-on-one recruiting work. According to the consultant it is typical for more applications to be submitted as the October 3rd closing date approaches.

The Search Schedule remains on target. On October 5th applicant documents will be forwarded to the Agency Board via a lock box with pre-screening interviews completed by the consultants by October 12th. All other key dates listed below remain the same provided a quorum of the Board is available for the interviews.

BMA SEARCH SCHEDULE TIMELINE

Activity	Target Date:
Applications Close	Oct 3, 2021
All candidate documents sent to Agency	Oct 5, 2021
All pre-screening interviews (by consultants) completed	October 12, 2021
Meet with Agency and present the pool of candidates; select 6-8 semifinalists- 4-6 pm* - Zoom meeting	October 14, 2021
Semi-final Interviews via Zoom – 1-5 pm* each day	October 25 & 26 2021
Reference Reports to Agency	November 9, 2021
Final Interviews	November 11 and 12, 2021

<p>Note: for final interviews, we anticipate including library staff, Foundation members and potentially a community representative panel for candidate interactions – participants would be invited to share feedback for the Board to review during deliberations</p>	<p>The BTLA will conduct final interviews on November 12 following interactions with staff and stakeholder groups (requires approx. 4-5 hours)</p>
Negotiations Completed	November 22, 2021

* Times for semi-final interviews are tentative pending consensus of the Board.

SPECIAL Meeting
BELVEDERE-TIBURON LIBRARY AGENCY
Belvedere-Tiburon Library, Tiburon, California
August 16, 2021

Roll Call, Present: Chair Jeff Slavitz, Vice Chair Ken Weil, Niran Amir, Thomas Cromwell, Lawrence Drew, Maureen Johnson, Roxanne Richards

Members Absent:

Also Present: Deborah Mazzolini, Nancy Kemnitzer, Glenn Isaacson, Kristin Johnson, Deirdre McCrohan, Mark Pressman, Ben Levine, and Robert Pankratz of Wulff Hansen & Co.

CALL TO ORDER: Chair Slavitz called the meeting to order at 6:15 pm

OPEN Forum:

Chair Slavitz opened the floor to comments or questions from the public. There were none.

1. Chair's Report

Chair Slavitz welcomed Trustee Roxanne Richards.

2. Library Director's Report

Director Mazzolini reported that the Library will be closed August 24-29. Staff will be working from home. Project Manager Glenn Isaacson added that the closure will allow much electrical infrastructure work to be done, a key step in moving forward on a number of other fronts. Director Mazzolini said that the ceilings in the Children's Room are complete and the Children's Room mural will be installed on September 13.

Director Mazzolini added that the Library/Foundation Newsletter has been distributed.

3. Expansion Update

Project Manager Glenn Isaacson reported that momentum has picked up on the project for both interior and exterior work. The parking lot and Zelinsky Park areas are moving along nicely, with mass grading completed, the berm between the parking lot and the marsh formed, and curbs, walkways and gutters installed. There are two additional retention basins which need to be completed. This is a major milestone for the earthwork behind the building. All of the Tiburon Boulevard work has been completed, except for the asphalt work. As soon as the accessible street drop-off is complete, the asphalt work will be done all at once. In the interior, all ceiling drywall has been finished, with the exception of the Corner Books area. Lights are going in as the drywall continues. During the Library building closure next week, the electricians will also start to wire the new electrical equipment room. This will facilitate the movement of the server equipment in that room to its new location. The old restrooms are currently being demolished, and the new restrooms will incorporate the old electric room. Staff is currently functioning with one restroom. The Project team is also working on simplification of the Heating, Ventilation

and Air Conditioning (HVAC) plan for Phase 2. The current goal in that area is to save/make up some lost time.

Trustee Johnson asked about the parking lot charging stations. Project Manager Isaacson said that the place for four stations (2 for the Town of Tiburon, 2 for the public) has been prepared.

Trustee Cromwell asked whether preparation has been made for carport solar to remain an option in the rear parking lot. Project Manager Isaacson deferred this to the solar discussion in item 8 of tonight's agenda.

Chair Slavitz asked, in light of the fact that other libraries, including Civic Center, are open, what the plans are for opening the Library to the public. Director Mazzolini said that a partial opening would be possible after the staff migrate to the new space. This could happen within the next 6 weeks.

4. Foundation Report

Chair Slavitz reported on behalf of Foundation President Rachael Ong that some fall library giving small circle events have been scheduled. In addition, two larger donations have been received: \$250,000 from the Friedman Foundation, and \$25,000 from the Rotary Club. Foundation committees are working on strategic planning and planned giving.

5. Committee Reports

Vice Chair Weil reported on behalf of the Search Committee that there are some minor changes to the director's job announcement in tonight's packet including the addition of photos before the announcement goes live. The announcement was prepared by Bradbury Miller after conducting Foundation Board and Staff focus groups as well as incorporating survey responses from the staff, Foundation Board, and the public. Trustee Amir, Chair Slavitz, and Vice Chair Weil worked with Bradbury Miller in approving the announcement.

Trustee Richards asked where the announcement will be posted. Specifically, would there be a focus on local outreach? Vice Chair Weil said that Bradbury Miller is an experienced library recruitment firm will seek qualified candidates from western U.S. and other sections of the country. Director Mazzolini asked if American Libraries would be one of the postings, as that was the journal where she saw the job announcement when she was first appointed. Vice Chair Weil stated that BMA utilizes multiple websites to post the position. Trustee Amir added that the firm also has its own database of potential candidates.

Trustee Richards asked if there had been a good response to the community surveys. Trustee Weil said he would follow up with a query to the firm. He added that the dates in the Search Schedule Timeline, including interview dates, remain on target. Chair Slavitz reminded the Board that, as previously agreed, the Board will meet on the dates in Search Schedule Timeline provided a quorum of the Board is available. Vice Chair Weil noted that the search schedule now includes the concept of having a panel of Foundation, Staff, and

Public representatives interact with the finalist candidates. Bradbury Miller will be providing further details.

CONSENT CALENDAR

6/7. Motion to approve the Minutes of July 21, 2021, and the Warrants dated July, 2021, made by Trustee Cromwell seconded by Trustee Johnson.

Roll Call Vote:

Ayes: Vice Chair Weil, Trustee Amir, Trustee Cromwell, Trustee Drew, Trustee Johnson, Trustee Richards, and Chair Slavitz.

Absent: None.

Noes: None.

Motion Passed.

TRUSTEE CONSIDERATIONS:

8. Consideration of selection of rooftop solar solution and solicitation of proposals

Project Manager Isaacson said that the recent work on the rear parking lot work has followed the approved plans, which did not include the carport solar installation. If the Agency decides on carport solar, then work would have to be stopped, and a new design would have to be created submitted to The Town of Tiburon for design review. This process would cause months-long delays, and Project Manager Isaacson recommends against that. Currently, the project has returned to a flow of efficient progress. Also, given that it is hard to get contractors on site at this time, it is best not to disturb the flow of work.

Mr. Isaacson recommends going with a rooftop only solar approach, the installation of which could occur either during or after construction. He specifically recommends the 30Kw rooftop, with storage for 4-7 hours and a public bid process on a power purchase basis or a library-owned basis. With respect to a generator/diesel emergency power, the pad and enclosure will be built now, with acquisition of a generator at a later date. The conduit from the main switch to the pad is already in place.

Trustee Johnson said that the 30Kw plan involved only 70 panels, less than the 130 proposed in the February Agency discussion and asked whether that would be sufficient for the library's needs. Mr. Isaacson said that the MCE analysis presented in the July Agency meeting recommended the 30KW on the roof, (although 40Kw would be possible), optimally matching the panels with the storage capacity. The storage capacity on site allows for 4-7 hours, so it is better to match the solar panels to the storage capacity.

Trustee Richards asked what the process for a decision should be, and whether more time might be needed to develop the solar plan. Chair Slavitz said that that only goal of this meeting would be to decide on whether to eliminate the option for carport solar given the effect on the construction process. Options for the rooftop solar could be considered later. Mr. Isaacson recommended that, if rooftop was being considered, authorization to solicit proposals should be part of that consideration.

Trustee Richards recommended involving Foundation members in the process in terms of their interests and concerns regarding solar installation. Trustee Cromwell asked what specific interests and concerns the Foundation might have. Trustee Richards clarified that the Foundation's interests would be in the cost of solar as it might relate to fundraising and to community feedback and commitment. Mr. Isaacson said that he would be happy to share design team and Marin Clean Energy proposal information with the Foundation. Trustee Cromwell asked whether the Agency would still want to commit to solar if the Foundation could not raise community contributions to cover the cost.

Chair Slavitz opened the discussion to questions and comments from members of the public. There were none.

A general survey of the Trustees drew a consensus for letting go of the carport approach.

Chair Slavitz asked for a motion.

Motion to pursue rooftop solar without carport panels and to solicit bids for rooftop solar made by Vice Chair Weil, seconded by Trustee Amir.

Roll Call Vote:

Ayes: Vice Chair Weil, Trustee Amir, Trustee Cromwell, Trustee Johnson, Trustee Richards, and Chair Slavitz.

Absent: Trustee Drew (due to technical difficulties).

Noes: None.

Motion Passed.

9. Consideration of refinancing the BTLA CalPERS Unfunded Pension Liability using Pension Obligation Bonds

Chair Slavitz said that Pension Obligation Bonds (POBs) would be an opportunity for the Agency to save money, in a similar way to refinancing a mortgage. He introduced Mark Pressman, Ben Levine, and Robert Pankratz, of Wulff Hansen and Co., and added that this would be an informational presentation, and that the Agency could make a decision now, or ask for more information and delay a decision until a later date.

Mr. Pressman said that he had previously met with Library Staff and the Finance Committee. Wulff Hansen has facilitated the sale of POBs for a number of communities in Marin County, including the town of San Anselmo, which was just approved.

Mr. Pankratz said that he would be providing an overview of the CalPERS system, Unfunded Accrued Liabilities (UALs), and what the Agency could do to manage increasing pension liabilities. He will follow up with prospective scenarios of what a POB could look like for the Library. Wulff Hansen's Mission is twofold: (1) to educate government officials and (2) consider issuance of POB's using one of the available structures.

A very important factor in the decision process is the unavoidable investment risk of increasing the Library's investment ratio with CalPERS. Even if the Agency were to additionally fund its pension liability with CalPERS, if CalPERS underperforms at any time with respect to its set discount rate, CalPERS will again increase the Library's UAL.

There are two legal structures available for POBs: (1) Lease—secured, and (2) Validation by the courts, which is a 60-to-90 day process. The second process allows for exemption from the California public agency debt limit.

In addition, a private or public sale would be available, and various financial structures can be followed. The financial scenarios presented include an assumed fixed amortization rate of 3.5%, a CalPERS interest rate of 7%, and market conditions equivalent to those of May, 2021, and illustrate a range of approximately \$350,000 to \$600,000 savings for the Agency.

Mr. Pankratz continued to give an overview of CalPERS System: Employers such as the Agency are required to make 2 types of payments to CalPERS during each fiscal year: A Normal Cost contribution and a payment towards the UAL. The normal cost is based on a formula supported by actuarial projections, and the UAL is determined by CalPERS performance related to the Discount Rate set by CalPERS. CalPERS provides the Agency with a schedule of future UAL payments, which is revised each year based on CalPERS performance and the CalPERS Discount Rate.

The UAL with CalPERS is a “soft” obligation versus a POB, which would be a “hard” obligation.

Mr. Levine added that there would not be a “default” if the CalPERS obligation is not paid exactly on schedule. With a POB there will be covenants with more severe default provisions. In addition to the investment risk by funding the UAL, this is another caveat.

Trustee Richards asked Mr. Levine to elaborate on the difference in the scale of penalties. Mr. Pressman responded. If the Agency were not to pay any part of the CalPERS obligation, CalPERS would contact the Agency and try to work something out. If CalPERS was not paid for a longer term or at all (1) all past employees could potentially have reduced or cut benefits, (2) it might be difficult to find new employees because the Agency would fall out of competition with paying Agencies. There would also be penalties including interest cost. In addition, there are prohibitive penalties for leaving the CalPERS system.

Mr. Levine added that, on the side of the POB’s, there will be default provisions that include increasing the interest rate. With delayed or missed payments on the POB, at some point there would be legal action in court to require payment.

Trustee Cromwell noted that CalPERS is known for overestimating the rate of return. Mr. Pressman concurred, but with the exception of this last year, in which CalPERS did not underperform due to good overall market circumstances. Typically CalPERS performance has run below its projections, and this is the reason behind increasing UALs.

Mr. Pankratz presented an overview of recent CalPERS investment performance. This is always included in Wulff Hansen’s evaluation of whether a POB will be benefit or detriment to an Agency. A general rule of thumb is that the interest rate on a proposed POB should be lower than the rate that CalPERS is charging on a UAL balance over a proposed time period. The Agency would be paying between 3 and 3.5% on the proposed POB. So the question is: where would CalPERS fall short on its returns? In the analysis presented, there is no time in the most recent several 15-20 year periods where CalPERS annual returns are below 5.5%. The timing of the proposed POB would match this historical period. However, this is no indication of CalPERS’ future performance.

Mr. Levine added that 2021 returns on CalPERS' private investments have been positive, at 21%, post pandemic. History indicates that interest rates might go higher, i.e., a correction, so the annualized returns for various periods are more indicative of what the future might hold. (Page 9-5 of the August 16 Packet).

The Library's UAL balance is approximately \$1.4 million in total, including both CLASSIC and PEPRA employees. The PEPRA UAL balance is small, and the contribution factors for these employees (starting employment after January 1, 2013) has been structured more sustainably by CalPERS. Therefore, Wulff Hansen has analyzed POB scenarios for only the CLASSIC UAL.

The Library's CLASSIC UAL balance is about \$1.35 million, and that is the projected balance for 6/30/22. However, the gain for the larger than discount rate earnings of Fiscal Year 2021 has not yet been applied to that projection. The CalPERS reports now pending for Fiscal Year 2021 will show a change of 4.5% to 7% in the UAL balance due to this gain. CalPERS charges 7% on the outstanding UAL balance.

Trustee Amir asked if projections had been done related to the Library's future costs as more PEPRA employees begin to replace CLASSIC employees. Mr. Levine said that this is done by the CalPERS actuaries for each annual report. He added that most financial advisors don't advocate shortening the CalPERS payment plan as an alternative to POBs or 115 Trusts. 115 Trusts are good for those Agencies which have large reserves.

Mr. Pankratz added that the POB assumptions by Wulff Hansen have not considered the structure of a lease, in which case the Library building would be encumbered. Chair Slavitz added that this was not desirable. The Library building should be left unencumbered for possible future debt needs. In addition, the building is an asset of the public Agency, so encumbering it would require a public vote.

Mr. Levine added that a lease POB structure would not be considered Long Term Debt, but rather an annual appropriation by the Agency. The lease POB has been a well-received financing vehicle in California. It avoids the jurisdiction of Proposition 13 because of its classification as an annual appropriation. However, the risks remain if the Agency's UAL is further funded, that CalPERS will underperform its discount rate and still accrue additional future UALs to the Agency.

Mr. Pankratz added that interest rates have decreased since May, but in 4-6 months they could increase again, and it remains to be seen what the Agency's change in liability will be in the pending CalPERS June 30, 2021 valuations.

Mr. Pankratz presented 6 scenarios (August 16 Packet Pages 9-12 through 9-16) with different payment structures and payoff periods ranging from 14-23 years, one with a public (as opposed to private) offering. All scenarios assumed a 3.5% interest rate on the Bonds. Savings to the Agency in the proposed scenarios ranged from approximately \$380,000 to \$560,000 over the 14-23 years.

Chair Slavitz said that, once the Agency reached a decision, the Finance Committee could fine tune the desired scenario of the POB. Mr. Levine said that once the desired scenario was communicated, Wulff Hansen would return to the Agency with a resolution and other documents allowing the validation suit to be filed, and after the filing, would again return to the Agency for approval of the selling documents. Mr. Pressman added that this is a relatively small transaction, which lends itself to a private placement with lower costs, and tends to go easily. However, the Agency could save that placement decision until later on in

the process, since the markets could change and an additional comparative analysis could be prepared at a later date.

Trustee Johnson asked which of Wulff Hansen's recent POB issuances were private placements. Mr. Levine said that most of the POBs \$5,000,000 were most likely privately placed.

Trustee Cromwell asked for a summary of the downsides in issuing a POB. Mr. Pressman reiterated the factors: (1) A POB is hard debt obligation, while the CalPERS UAL is a soft obligation. (2) CalPERS may earn less than the interest rate the Agency ends up paying on the bonds. (3) The Agency risks varied rates of return by CalPERS on the money that it uses to fund the UAL.

Chair Slavitz added that, if the Agency just continued to pay on the CalPERS UAL schedule, the cost to the Agency is a guaranteed 7% interest cost per year on the UAL. If the Agency refinances the UAL with a POB, it will be at a new interest rate (3.5% in Wulff Hansen's estimate at this time). The POB would be a bad decision if the Agency knew it was going to default. Otherwise, the decision is an interest rate comparison. The Agency could borrow at 3.5% to pay off a 7% debt and use the savings to pay down the bond. He added that the Sanitary District on which he is also a board member decided to (1) pay off its UAL with a POB, (2) pay off any new UAL within its annual budget and (3) set up a reserve to pay future UALs. He recommended that the Agency authorize Wulff Hansen to proceed with the process.

Mr. Pressman said that he and his staff would need the Agency's updated CalPERS valuation to continue the process. The UAL should decrease based on fiscal year 2021's good investment performance by CalPERS. However, those good returns will also trigger CalPERS to reduce its discount rate, which will increase required Agency annual Normal contributions, and possibly create future UALs.

Chair Slavitz opened the floor for public comments and questions. There were none.

Trustee Cromwell favored proceeding with the investigation into the POB possibility. Trustee Amir added that the Agency should reserve a later opportunity to reconsider the issue. Mr. Pressman said that his group would need to return to the Agency for document approval and a final decision, and that market conditions and the resulting interest rate on the bonds could change in the meantime. However, they would like to know that there is currently a general consensus in the Agency regarding the plan before they proceed further. Wulff Hansen works on a contingency fee basis. Chair Slavitz reminded the Agency that a decision not to continue could be made in the future. Mr. Pressman said that, however, once the bonds have been priced (after the approval of documents and the validation process and the approval to sell), the decision would be locked in.

Trustee Johnson asked what the timing would be for Wulff Hansen to come back to the Agency. Mr. Pressman said that his firm would create a schedule, and that early October would be an estimate, but timing would be based on the reaction time of the superior court.

Chair Slavitz asked for a motion to proceed with the process.

Motion to proceed with the Consideration of refinancing the BTLA CalPERS Unfunded Pension Liability using Pension Obligation Bonds made by Trustee Richards, seconded by Trustee Johnson

Roll Call Vote:

Ayes: Vice Chair Weil, Trustee Amir, Trustee Cromwell, Trustee Drew, Trustee Johnson, Trustee Richards, and Chair Slavitz.

Absent: None.

Noes: None.

Motion Passed.

10. Meeting Dates

The next BTLA meeting is scheduled for Monday, September 20th, at 6:15pm via Zoom.

Special Meetings during the fall related to Director Search interviews have been added to the schedule of meeting dates.

Chair Slavitz adjourned the meeting at 8:27 pm.

Respectfully Submitted,

Kristin M. Johnson, Clerk of the Belvedere-Tiburon Library Agency Board

BELVEDERE TIBURON LIBRARY AGENCY
 OPERATING WARRANTS
 AUGUST 15, 2021

9-1

Check/Voucher Date	Check/Voucher Number	Payee	Fund Code	GL Code	GL Title	Expenses	Check Total
OPERATING - HAND CHECKS							
8/13/2021	000368	ELLIOT KARLAN	100	8225	Public Relations	150.00	150.00
8/15/2021	000369	VANTAGEPOINT TRF AGT-457	100	2040	Deferred Comp Deductions	4,115.18	4,115.18
OPERATING - PRINTED							
8/15/2021	101180	BLACKSTONE PUBLISHING	100	7601	Books and other Materials	40.00	40.00
8/15/2021	101181	BURKELL PLUMBING	100	8492	Maintenance Contracts	125.00	125.00
8/15/2021	101182	BUSINESS CARD	100	7601	Books and other Materials	26.54	
8/15/2021	101182	BUSINESS CARD	100	8020	Online Services	720.80	
8/15/2021	101182	BUSINESS CARD	100	8225	Public Relations	336.36	
8/15/2021	101182	BUSINESS CARD	100	8430	Building Maintence	754.92	1,838.62
8/15/2021	101183	GLAVER CIFUENTES	100	8450	Janitorial Expense	3,650.00	3,650.00
8/15/2021	101184	HAGEL SUPPLY COMPANY	100	8460	Custodial Supplies	362.99	
8/15/2021	101185	INGRAM LIBRARY SERVICES	100	7601	Books and other Materials	4,716.95	5,079.94
8/15/2021	101185	INGRAM LIBRARY SERVICES	100	7602	Vendor Processing Costs	341.44	341.44
8/15/2021	101186	KEN LEHR	100	8040	Technical Support	3,900.00	3,900.00
8/15/2021	101187	KYOCERA	100	8210	Copier Expense	45.13	45.13
8/15/2021	101188	LINCOLN NATIONAL LIFE INS	100	7110	PERS Insurance Benefits	704.64	704.64
8/15/2021	101189	MARIN IT, INC.	100	8070	IT Infrastructure	400.00	400.00
8/15/2021	101190	MARIN MUNICIPAL WATER	100	8500	Water	322.11	
	101190	MARIN MUNICIPAL WATER	100	8500	Water	322.11	644.22
8/15/2021	101191	MILL VALLEY REFUSE	100	8480	Trash	280.15	280.15
8/15/2021	101192	OCLC, INC.	100	8070	IT Infrastructure	2,064.98	2,064.98
8/15/2021	101193	PURCHASE POWER	100	8220	Postage Freight	208.99	208.99
8/15/2021	101194	SANITARY DISTRICT NO. 5 OF MARIN COUNTY	100	8500	Water	1,034.00	1,034.00
8/15/2021	101195	TPX COMMUNICATIONS	100	8260	Telephone	1,043.69	1,043.69
					TOTAL	\$25,665.98	\$25,665.98

Check/Voucher Date	Check/Voucher Number	Payee	Fund Code	GL Code	GL Title	Expenses	Check Total
OPERATING - HAND CHECKS							
8/20/2021	000370	MATT SANDBANK	100	8250	Children's Program Supplies	200.00	200.00
OPERATING - PRINTED							
8/31/2021	101196	AMERICAN EXPRESS	100	7601	Books and Other Materials	409.27	
	101196	AMERICAN EXPRESS	100	8230	Office Supplies	417.80	
	101196	AMERICAN EXPRESS	100	8250	Children's Program Supplies	80.66	
	101196	AMERICAN EXPRESS	100	8251	Young Adult Programs	461.96	
	101196	AMERICAN EXPRESS	100	8501	Small Furniture & Fixtures	286.29	
	101196	AMERICAN EXPRESS	100	8815	Credit Card Fees	75.00	1,730.98
8/31/2021	101197	BRODART CO	100	7601	Books and Other Materials	896.87	
	101197	BRODART CO	100	7602	Vendor Processing Costs	113.38	1,010.25
8/31/2021	101198	CCH INCORP	100	7601	Books and Other Materials	231.34	231.34
8/31/2021	101199	DELTA DENTAL	100	7110	PERS Insurance Benefits	2,496.52	2,496.52
8/31/2021	101200	INGRAM	100	7601	Books and Other Materials	5,134.65	
	101201	INGRAM	100	7602	Vendor Processing Costs	371.68	5,506.33
8/31/2021	101201	LINCOLN LIFE	100	7110	PERS Insurance Benefits	234.88	234.88
8/31/2021	101202	MARIN IT INC	100	8040	Technical Support	218.75	
	101203	MARIN IT INC	100	8070	IT Infrastructure	323.00	541.75
8/31/2021	101203	OVERDRIVE	100	7606	Digital Resource & Content	1,530.45	1,530.45
8/31/2021	101204	PG&E	100	8490	Electricity and Gas	1,243.87	1,243.87
8/31/2021	101205	VANTAGEPOINT TRF AGT 457	100	2040	Deferred Comp Deductions	4,095.18	4,095.18
					TOTAL	\$18,821.55	\$18,821.55

BELVEDERE TIBURON LIBRARY AGENCY
EXPANSION WARRANTS
AUGUST 2021

9-3

Check/Voucher Date	Check/Voucher Number	Payee	Fund Code	GL Code	GL Title	Expenses	Check Total
EXPANSION - HAND CHECKS							
8/23/2021	000260	Alten Construction	200	9045	Site Work	506,706.39	506,706.39
8/23/2021	000261	Alten Escrow	200	9051	Escrow	26,668.76	26,668.76
8/23/2021	000264	BRW	200	9041	Architect	15,611.00	15,611.00
8/23/2021	000262	Miller Pacific	200	9045	Site Work	4,003.40	4,003.40
8/23/2021	000263	Sonoma State	200	9045	Site Work	1,595.27	1,595.27
					TOTAL	\$ 554,584.82	\$ 554,584.82

Belvedere-Tiburon Library Agency Future Meeting Dates

Special Meeting-Director Search October 14, 2021 (2 Hours)
October 18, 2021

Special Meeting-Special Time-Director Search October 25, 2021 (4-5 Hours)
Special Meeting-Special Time-Director Search October 26, 2021 (4-5 Hours)
Special Meeting-Special Time-Director Search November 11, 2021 (4-6 Hours)
Special Meeting-Special Time-Director Search November 12, 2021 (4-6 Hours)
November 15, 2021

No December meeting unless deemed necessary
January 10, 2022 (*second Monday due to MLK Holiday*)
February 14, 2022 (*second Monday due to Presidents' Day Holiday*)
March 21, 2022
April 18, 2022

All meetings are held at 6:15 pm remotely via Zoom
Unless otherwise noted