REGULAR Meeting
BELVEDERE-TIBURON LIBRARY AGENCY
Belvedere-Tiburon Library, Tiburon, California
November 18, 2024

AS APPROVED ON JANUARY 27, 2025

Roll Call, Present: Chair Anthony Hooker, Vice Chair Emily Poplawski, Treasurer Jeff Slavitz, Pamela Goldman, Roxanne Richards, Kenneth Weil

Members Absent: Katherine Sutton

Also Present: Crystal Duran, Kristin Johnson, Mickey Hubbell, Jane Cooper

CALL TO ORDER: **Chair Hooker called the meeting to order at 6:17 pm**

OPEN Forum:

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

STAFF BOARD AND COMMITTEE REPORTS

1. **Chair's Report**
   Chair Hooker reported that last week's joint Agency/Foundation retreat was successful, thanks to Crystal and staff. He recommended that these retreats should be continued on an annual or more frequent schedule.

2. **Library Director's Report**
   Director Duran reported that, as part of the Sustainable Library Certification, and through the grant from the California State Library, the Library Staff will recruit community members to help co-design a sustainability-focused program and expand the Library of Things collection. The staff-community team will collaborate from January through May in creating an event which will be advertised in The Ark Newspaper and in the Library's newsletter. The Library is acting as a test pilot in community co-design. The grantors will require an element of codesign in all projects going forward.

   Children's Librarian Tina Wolk has offered a summary and photos of her recent participation in the Association of Library Services to Children National Conference, which has been presented as part of the packet tonight. The library budget allows for 3-4 staff conferences per year in addition to some smaller workshops and online trainings.

3. **Belvedere Tiburon Library Foundation Report**
   Foundation Vice President Mickey Hubbell reported that the Children's patio enhancement of rubber flooring and a shade structure is on hold awaiting permitting by the Town of Tiburon. The flooring will cost about $17,000 and the shade $20,000. The Foundation's annual fund kicked off in October, with the last group of appeal letters sent out last week. Donations are starting to arrive.

The Teddy Bear Tea 25th Anniversary event on February 8th will be themed "Breakfast with Tiffany." Planning is underway, with backdrop decor ordered, and collaboration with The Ark Newspaper to highlight photo archives of past years' Teas. TBT Committee members are soliciting corporate and family sponsorships, with a target sponsorship goal of $25,000. Last year's event netted $8,000.

An opening for the new Art Exhibit, "Human Presence: Faces, Figures, Crowds," will be held on November 21st at 6pm. This is a very successful show, with over 400 submissions and 71 pieces selected.

The Foundation Annual Report will be published soon, which will help with fundraising.

4. **Financial Statements, October, 2024**

   Clerk Johnson reported that, with 33% of the year passed, revenues are at 3% of budget, normal for this time of year. Expenditures are at 40% of budget overall, with Circulation Materials at 67% of budget and Building Expenses at 59% of budget. Spending in these categories is at a higher rate year-to-date than last year, so continued monitoring, and a detailed mid-year review will be important to determine if changes are needed. Cash will soon be at its annual low point, expected at about $900,000 total, with about $260,000 in operating reserves. Tax revenues are expected in late December/early January. CalPERS Health Benefits are expected to increase about 9% on in January. This expected increase was incorporated into the Fiscal Year 2025 budget when approved in June.

5. **Committee Reports**

   The Compensation Committee is currently discussing employee benefits and will meet next week.

CONSENT CALENDAR

6/7. Motion to approve the Minutes of October 21, 2024 and the Warrants for the Month of October 2024. Made by Treasurer Slavitz, seconded by Trustee Richards.

Ayes: all present in favor
Absent: Katherine Sutton
Noes: None
All present in Favor: Motion Passed.

TRUSTEE CONSIDERATIONS:

8. **Presentation by Dr. Reggie Thomas**

   Director Duran introduced Dr. Thomas of PeakePotential. Dr. Thomas was engaged by the Library in August for a 6-month period to work with staff.

Dr. Thomas said that his organizational development firm engages in consulting projects with business and government organizations with respect to culture, teams, one-on-one coaching, and keynote speaking. He is the author of two books: People Pains, Fixing the Drama in your Business and Burnout Pains, A Guide to Prevent Burnout, Rediscover Your Purpose, and Renew Your Energy.

Dr. Thomas' main concerns regarding the Library Staff center around culture. He began his work with an organizational assessment for evaluation, looking at culture, team dynamics, and how well employees are engaging within the organization. He (1) reviewed organizational documents and manuals, and (2) interviewed employees for 1 hour each with targeted questions that led to additional questions. He gained a wealth of information from the Staff regarding Library culture and current issues. With a staff of 25, there were multiple opinions, and he worked to glean common themes. He submitted a report to Director Duran, and (3) created staff focus groups without management presence for psychological safety and openness. Themes gleaned from these focus groups were (a) Low morale, apathy, low energy (b) communication issues, and (c) unresolved conflicts.

After the initial Assessment, Dr. Thomas began coaching managers and other staff with respect to growth opportunity areas and professional goals, and held an all-staff workshop on Conflict Resolution. His goal was to improve morale and culture within the Staff. He noted that conflict between 2 people can affect an entire organization. His focus groups with staff centered around 4 main issues: (1) The inevitability of conflict and how to use it for good (2) Communication (3) Silo (departmental separation) mentality within organizations and (4) Empathy.

Dr. Thomas has submitted seven recommendations for the Library: (1) A Core Values Discernment Focus Session, (2) Leadership Skills Development Training, (3) Creating a Feedback-Rich Environment, (4) Establishing an Employee Recognition Program, (5) Strengthen Employee Engagement with a Professional Development Program, (6) Team Building Activities, and (7) Establish a Meaningful Meeting System.

Dr. Thomas will be reporting to the Agency as the project continues, and he offered to continue beyond the term of his contract for any additional implementation requests.

This week, Dr. Thomas will meet with all staff on Friday for recommendation (1), A Core Values Discernment Focus Session.

Trustee Richards said that the Agency Board and the Community should be included in values determinations. Director Duran said that the staff would be a starting point.

Trustee Richards asked what the common thread of low morale is among staff. Dr. Thomas said that opinions were wide ranging, and that the culture was described as dysfunctional, toxic, negative, drama-filled, and fear culture, with no empathy and no empowerment. He said that he has seen improvement over the last 4 months, with a pivot towards change. He added that establishing values is the foundation of a good culture, as values are guardrails for behavior and decision making. Leadership and staff have had good response to group trainings. His leadership development training includes both "hard" (professional development) and "soft" (empathy and care) elements. Staff also need to be recognized. This can be done through professional development, leadership training, learning, team-building, performance evaluations, and having the right number of purposeful meetings, among other methods.

Chair Hooker asked for some examples of core values. Dr. Thomas mentioned vision, teamwork, innovation, flexibility, empathy, and collaboration.

Vice Chair Poplawski asked whether implementation is included under Dr. Thomas' current scope of work with the Library. Dr. Thomas affirmed. Vice Chair Poplawski asked, with respect to low morale, is there anyone who should no longer be part of the team, or is everyone coachable. Dr. Thomas said that he was working with all of the staff via coaching and focus groups. Vice Chair Poplawski said that, while core values could be used in performance reviews with current staff, what would be the process for new hires to experience and learn about the core values. Dr. Thomas said that the review process and the hiring process would be designed to evaluate not only competencies, but also adherence to and compatibility with core values, and added that behavior and attitude should take precedence over competencies. Frequent reviews, more often than annual, were also discussed, with a 30-60-90-day interim review process suggested for orientation and learning for new staff. Longer-term staff could have annual reviews and a mid-year checkup.

Dr. Thomas will update the Agency again at the February meeting.

9. Review of BTLA Audit Draft

Clerk Johnson noted important highlights in the Audit Financial Statements.

Statement of Net Position (Government-Wide)

There was a decrease in overall net position of $172,000. Cash decreased by about $2,200,000 due to use of funds to pay Expansion Line of Credit. Capital Assets decreased by about $730,000 due to depreciation (all Expansion additions were capitalized in the prior year. Pension Liability increased by almost $200,000.

Statement of Activities (Government-Wide)

Personnel Expenses increased from prior year by about $211,000 due to staffing back up to pre-pandemic and construction levels. Program Expenses other than Personnel appear to have decreased mostly due to completion of Expansion activities. Change in Net Position is better than prior year by $109,000.

Balance Sheet (Operations)

Fund Balance Decreased by $2,300,000 (this is different than change in Net Position, as that is Government-Wide, i.e., includes capital assets). The decrease in Operational Fund Balance was due to use of Operating Reserve funds to pay off the Expansion Line of Credit. (Note that reserves used were generated over 25 years of Foundation grants supplementing the tax revenues).

Statement of Revenues, Expenditures, Fund Balance (Operations)

This statement includes Expansion Line of Credit payoff as an expenditure, since Operating Reserves were used. The decrease in Fund Balance was greater than the prior year decrease due to the LOC payoff.

Note 5 – Capital Assets (Government-Wide)

Note the large depreciation figure of $918,000, which contributes along with debt payoff to decrease in Net Position. Without depreciation, Overall activities (General Revenues less Cash Expenses) would have resulted in almost $750,000 positive change in Net Position.

Note 6 – Long-term Debt (Government-Wide)

Remaining CFD 1995-1 Original Bond Obligation has a total balance of $343,950, including interest. The Bond will be paid in full in September 2026 (Fiscal Year 2027).

Notes 8 and 9 – Pension and OPEB Liabilities (Government-Wide)

Clerk Johnson recommend that Trustees read this entire note to understand how the liability is calculated and paid. Liabilities can fluctuate based on mortality rate projections, discount rates, and employment duration. Special attention should be paid to the illustrations of how changes in the discount rate can affect these liabilities. At the current discount rate of 6.9%, Pension Liability is about $1,850,000 and OPEB liability is about $380,000.

Note 10 – Grants

Note that Belvedere Tiburon Library FOUNDATION Grants are $20,315,791 Inception-to-Date. These substantial fundraising contributions over the years allowed for careful budgeting and build-up of Operating reserves, most of which were used to pay off the Expansion Line of Credit.

The Town of Tiburon contributed $545,275 and the City of Belvedere contributed $150,000 to the Building Expansion project.

Supplementary Information – Budgetary Comparison Schedule

Operations results were $609,000 better than budget. The Decrease in Fund Balance was mostly due to Capital Assets Depreciation and to Payoff of Expansion Line of Credit.

Required Communications and Internal Control

The Library received a favorable review.

GASB 103 Upcoming Requirements

Focus on operating versus non-operating clarity in the financial statements has been a priority during the Building Expansion Project. Reporting will be simpler going forward now that the Project has been completed.

10. Review and approval of Compensation Policy

Director Duran reported that the Compensation Committee met with Deborah Muchmore of Muchmore Consulting to discuss how decisions should be made with respect to employee compensation, including how often staff should review the marketplace to compare pay levels, and which markets to compare the Library policies to. The Library needs a framework for decision making and an educational tool for employees in the form of a Compensation Policy. The draft presented tonight is a work-in-progress toward the Library's first-ever compensation policy.

Trustee Richards asked how the Library might offer bonuses if merit increases aren't being offered, and whether that should that be highlighted in the policy. Director Duran said that there is a small clause in the policy that allows for time-to-time consideration of special compensation. Ms. Muchmore didn't recommend making bonuses part of the policy. When extra cash is available, bonuses could be considered as a one-time Agency resolution, rather than as part of the policy. This allows bonuses to be considered when desired/on demand.

In addition, the conditions for awarding an advance step increase has not previously been defined. A typical increase is one Step; adding the possibility of multiple Step advancement would require a policy definition of specific parameters allowing such.

Trustee Richards said that the expectation by staff of an assured Step of 5% in addition to a COLA increase should not be created by the policy or by the Step and Track schedule. However, on the flip side, the idea of staff only receiving only COLA after 6 years (of Step increases) creates a dis-incentive to stay.

Director Duran said that some agencies offer longevity pay, but this practice was discouraged by our consultants. In the Step and Track System it is typical in most agencies to give the Step increase regardless of performance. The Library just needs to build the performance evaluation piece into the Step and Track progression of its employees.

Trustee Weil added that the policy should also include a clause that increases would only be awarded within the financial capacity of the Library.

Director Duran said that, in the Step system, there is no requirement for a particular percentage increase. There are safeguards in the current writeup of the policy. The other side of this issue is the need to be competitive in the marketplace. The Agency needs to balance budget capacity with marketplace competitiveness.

Trustee Goldman asked how these factors contribute to low staff morale, especially in terms of what happens after six years. She added that the Library needs to compensate staff appropriately and well. Director Duran reiterated that the Step and Track structure is common in public agencies.

Treasurer Slavitz asked who determines which staff receive the Step increases. Director Duran said that supervisors review their staff and provide recommendations to the Director. Currently, seven staff are tenured beyond Step 6. This creates a challenge in motivation for higher levels of productivity, since there is no incentive for them. It will be important to have a defined framework for new employees. The current budget is based on an assumed Step increase for all employees who are still in the Step and Track. Also, during this fiscal year and the prior, some non-performers have been terminated. However, the process should be more clearly defined and presented to new employees going forward. (The new Step and COLA and Y-Rate parameters were only recently implemented last May, 2024).

Treasurer Slavitz asked about the possibility of procuring outside contract work with respect to Human Resources and Administration. Last May, the Administrative position review showed the need for 3 positions: Supervisor, Accounting Technician, and Administrative Assistant. What is being done with respect to those positions? Director Duran said that she is working with the Town of Tiburon to possibly cost-share a Human Resources position, rather than hiring a contractor. The Library Staff do need more support in this area, yet outsourcing contract Human Resources help doesn't help to build faith and trust for the employees. The Town of Tiburon Manager is open to cost-sharing a position.

Chair Hooker added that Board Policy, including COLA awards, should also be informed and determined by the annual budget process.

Director Duran added that the Integrity, Fiscal Responsibility, and Sustainability clause in the draft Policy does allow the Agency flexibility in determining viability of any and all compensation increases.

Trustee Richards asked that Counsel review the policy before a vote by the Agency on the Compensation Policy.

11. Schedule of 2024-2025 Meeting Dates.

The next Regular BTLA meeting is scheduled for January 27, 2025.

If a quorum is available, there will be a December 16, 2024 meeting.

Chair Hooker adjourned the meeting at 7:57 pm

Respectfully Submitted,

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