REGULAR Meeting
BELVEDERE-TIBURON LIBRARY AGENCY
FINANCE COMMITTE
Belvedere-Tiburon Library, Tiburon, California
January 21, 2025

AS APPROVED ON APRIL 18, 2025

Roll Call, Present: Treasurer Jeff Slavitz, Trustee Pamela Goldman, Trustee Kenneth Weil

Members Absent: None

Also Present: Chair Anthony Hooker, Director Crystal Duran, Foundation Treasurer Toni Lee, Clerk Kristin Johnson, Ark Reporter Francisco Martinez

CALL TO ORDER: **Treasurer Slavitz called the meeting to order at 10:30 am**

OPEN Forum:

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

STAFF BOARD AND COMMITTEE REPORTS

1. **Minutes**

    Motion to approve the Finance Committee Minutes of September 5, 2024 made by Trustee Weil, Seconded by Trustee Goldman, all in favor, motion passed.

2. **Audit**

    The Committee reviewed the Audit Report and Clerk Johnson presented the attached notes. The Committee approved the audit for presentation for final approval at the January 27, 2025 Agency meeting.

3. **Financials**

    The Committee reviewed the December 31, 2024 Quarterly Treasurer's Report to be presented at the January 27, 2025 Agency meeting.

    Issues which came up for further discussion per review of the Audit Report and the Quarterly Treasurers report were:

    1. Consideration for negotiating the Building Insurance deductible
    2. Next Meeting Topics to include discussion of Operating Reserve, along with a possible Section 115 Trust, and the Agency Fiscal Year 2026 Budget.
    3. Consideration of the Agency sharing solar storage with the Town of Tiburon
    4. With respect to future cost-sharing agreements between the Agency and the Town of Tiburon, if both parties maintain insurance, it should be determined which agency is the primary insurer.

4. **Employee Benefits**

Director Duran presented a background on the 2024 compensation study and staff survey, the subsequent enrollment of employees in a Section 125 plan to allow them to take advantage of pre-tax benefits savings accounts, and the exploration of adding a vision plan and updating the long-term disability and life plans already available as employee benefits.

In addition, Health premiums have risen substantially in the last five years, and has negatively affected employees in terms of substantial premium payments beyond the Library's cafeteria allowance.

Director Duran presented 4 alternatives for a cafeteria allowance increase. The Compensation Committee had already recommended, and the Finance Committee concurred in recommending an increase of the Library's Cafeteria Allowance to $2,000 be approved at the January 27, 2025 meeting.

5. **Next Meeting**

The next meeting shall be scheduled when a draft Budget and Operating Reserve policy are ready for review.

Treasurer Slavitz adjourned the meeting at 11:36 am

Respectfully Submitted,

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

Review of BTLA Audit Draft: Notes

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 funds to pay off Expansion Line of Credit. (Note that reserves used were generated over 25 years of Foundation grants supplementing Tax Revenue).

Statement of Revenues, Expenditures, Fund Balance (Operations)

Note that 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 Trustee read this entire note to understand how the liability is calculated and paid. 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 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.