

MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
FINANCE AND AUDIT COMMITTEE MEETING
LAS VEGAS, NEVADA
APRIL 14, 2005
(approved May 19, 2005)

The Finance and Audit Committee of the Board of Trustees of the Las Vegas-Clark County Library District met in the Clark County Library, Las Vegas, Nevada, at 5:00 p.m., Thursday, April 8, 2004.

Present: Board: A. Arthurholtz, Committee Chair V. Davis-Hoggard
T. Wong, Committee Member A. Aguirre
L. Overstreet, Committee Member K. Carter
F. Sponer, Committee Member L. Harala
E. Sanchez, Committee Member

Attorney: G. Welt

Staff: D. L. Walters, Executive Director
F. James, Deputy Director, CFO

Trustee Arthurholtz called the meeting to order at 5:05 p.m.

Roll call Trustees Arthurholtz, Wong, Overstreet and Davis-Hoggard were present at roll call. Committee members Sanchez and Sponer arrived shortly thereafter.

Agenda Trustee Wong moved to accept the proposed agenda. There was no opposition and the motion carried.

Discussion and possible Committee action regarding the FY 2005-2006 Tentative Budget submittal to the Department of Taxation and preparation for the May 19 budget hearing. (Item III.) Deputy Director, CFO, Fred James explained to the Finance and Audit Committee that regarding General Fund revenues, property tax is estimated to increase 5.0% or \$1.5 million, as compared to FY 04-05.

As of this time, the District has not received revenue estimates from the Department of taxation, so conservative estimates were developed. Estimated Consolidated Sales Tax (CTX) increased by 24.8%, as compared to 7.8% for FY 04-05, reversing the downward trend over the past four fiscal years. Property taxes (61%) and the CTX (35%) account for 96% of all General Fund revenues.

The remaining four percent of General Fund revenues are generated from library fines, programming and rental charges, revenue from contract libraries and investment income.

In the area of expenditures, the proposed preliminary General Fund budget amounts to \$46 million, a 4.8%, or \$2.1 million increase as compared to FY 04-05. Enhancements to Public Services personnel, primarily page positions and negotiated cost of living increases contribute to an overall 4.8% increase in salaries and benefits.

The FY 05-06 preliminary budget proposes \$9.4 million in materials expenditures, an increase of 7.3% over current levels. The proposed materials appropriation amounts to 20% of the total General Fund budget, a Board Policy and Public Library Association standard that few urban libraries serving more than one million people are able to attain. In addition, \$900,700 is budgeted for equipment replacement, software, hardware, and facility improvements, an increase of 29.6% as compared to last fiscal year.

The General Fund's ending fund balance is projected at \$3.2 million and amounts to 7% of the total budget.

Activity in the Gift, Expendable Trust and Grant Funds are accounted for in Special Revenue Funds. The Gift Fund accounts for donations to the District and is estimated to be \$454,000 in FY 05-06. The Grant Fund of \$860,000 accounts for revenues and expenditures for monies received from state and federal grants.

From the Capital Projects Fund, a \$5 million transfer is proposed from the general fund to be appropriated to the different programs within the Capital projects fund.

The \$5,000,000 transfer will be designated for a \$1,000,000 PC network and telecommunication hardware replacement program, a \$1,000,000 maintenance & repair program and a \$3,000,000 construction program. Funding these programs will provide the District with available resources to maintain its capital infrastructure and set aside funds that can later be appropriated for future construction projects designated by the Board.

As a result of recent transfers to the Capital Projects Fund, the FY 05-06 budget document will be expanded to include new program account information in the Capital Projects Fund for categories in technology, building maintenance and repair, and construction projects. Expenditures of \$3,036,900 are proposed that include an ILS automation system in the amount of \$2,221,900, PC network upgrades totaling \$470,000 and facilities maintenance and repairs in the amount of \$345,000.

Appropriation for the current year for the ILS automation system represents ending fund balance carried over from the prior year to complete the installation of this system during FY 05-06. Funding for PC network upgrades and Facilities maintenance and repairs were funded from the Capital Projects Fund's ending fund balance resulting from a transfer from the general fund during previous budget years.

The Debt Service Fund accounts for the accumulation of resources for, and the payment of general obligation bonds. Bonds are payable from property taxes. The debt service property tax rate generates revenue to pay principal and interest on bonds. In addition, the District must maintain a reserve on hand, equal to the annual debt service requirements. Principal and interest amounts to \$8.5 million for FY 05-06.

Pending Board direction for any additional changes, staff will prepare a FY 2005-06 Proposed Budget that incorporates any necessary adjustments subsequent to the administrative filing of the FY 2005-06 tentative budget with the Department of Taxation.

Public Comment None

Trustee Overstreet moved to adjourn the meeting at 5:40 p.m. There was no opposition and the motion carried.

Respectfully submitted,

A. Arthurholtz Chair

