

MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES MEETING
LAS VEGAS, NEVADA
MAY 18, 2006
(approved June 8, 2006)

ITEM IV.

The Board of Trustees of the Las Vegas-Clark County Library District met in regular session in the Las Vegas Library, Las Vegas, Nevada, at 6:00 p.m., Thursday, May 18, 2006.

Present: Board: E. Sanchez L. Overstreet
V. Davis-Hoggard L. Harala
A. Arthurholtz K. Carter
K. Benavidez F. Sponer (via telephone)

Counsel: G. Welt

Absent: A. Aguirre
T. Wong

Staff: Daniel L. Walters, Executive Director
Numerous Staff

E. Sanchez, Chair, called the meeting to order at 6:12 p.m.

Roll Call All members listed above represent a quorum. Trustee Sponer called in at 6:31 p.m.

Agenda Chair Sanchez moved to approve the Agenda as proposed. There was no opposition and the motion carried.

Approval of Proposed Minutes Regular Session, April 13, 2006 and Finance and Audit Committee Meeting, April 13, 2006. Chair Sanchez moved to approve the Minutes of the Board of Trustees Meeting held April 13, 2006 with the following amendments:

1. Reverse the order of the two paragraphs in the agenda section to clarify approval of the agenda. Suggested by Counsel Welt.
2. Add the words, "for labor negotiations briefing by staff and counsel" to the section on the Executive Session in addition to the inclusion of the heading on the left margin. Suggested by Counsel Welt.
3. Add Trustee F. Sponer's name to those present. Noted by Trustee Carter.

There was no opposition and the motion carried. Chair Sanchez moved to approve the Minutes of the Finance and Audit Committee Meeting held April 13, 2006. There was no opposition from Committee members and the motion carried.

Chair's Report (Item IV.) Chair Sanchez extended the congratulations of the Board to Trustee Overstreet, who was inducted into the Ohio University Russ College of Engineering and Technology Academy of Distinguished Graduates on

April 29, 2006. Overstreet was given a round of applause by those present.

**Executive Director's
Report (Item V.A.)**

Adding to his written report, Executive Director Dan Walters requested Deputy Director, C.O.O., Robb Morss brief the Board on proposed changes to the rules for use of the public access computers at District branches in order to get the Board's feedback.

Mr. Morss reported to Trustees that staff is evaluating a proposal to change District policy regarding patrons' use of public access computers so that computer use will only be provided to patrons who are in good standing and do not owe excessive library fines. The proposal will be presented to Trustees at the June meeting.

Currently, adult patrons with or without a library card and patrons with a delinquent account can use the public access computers.

Staff is proposing to set the same fine limit that is in place for borrowing library materials (\$4.00) as the limit for use of public access computers. If someone owes more than \$4.00, they will be required to reduce the fines below \$4.00 in order to reserve a machine.

The new procedure will require Clark County residents to obtain a valid LVCCLD library card in order to use the public access computers. This will also help the District extend other library services to new card holders. Visitors who do not reside in Clark County will be issued temporary cards.

The most significant change in procedure will be to require users to show identification necessary to obtain a library card as a condition of using district computers.

Mr. Morss said there are several reasons for this change:

1. The new III software and a new upgrade of the TELUS PC reservation system now make it possible for the District to apply the uniform fine limit for the use of computers in a manner consistent with borrowing library materials. This was not possible with the previous DRA system and previous versions of TELUS software.
2. Allows the District to offer services to patrons who adhere to and follow rules. According to the Security reports from the last several months, most problems are caused by users of the public access computers. By requiring patrons to have library cards as well as an account in good standing, staff believes the District will be able to weed out problem patrons.
3. Gives the District another opportunity to collect outstanding

finances and fees, which currently total \$8.1 million. This problem is so severe that last year the District declared \$734,000 as uncollectible after five years of attempts to collect.

Similar procedures are already in place at the Henderson and North Las Vegas branches, as well as libraries in Buffalo, Chicago, Toledo and Columbus.

Mr. Morss said this proposal will only affect adult library patrons. There will be no change to children's use of the public access computers.

Mr. Walters explained the reason for the \$4.00 ceiling. It equates to the overdue fines for one book, CD, or DVD that is two weeks late. It is set at that level to allow the District to prevent a borrower from taking additional materials until that item is returned.

Mr. Morss added that there are express computer stations at each branch for users who do not want to obtain library cards. Most branches have at least one, some branches have more. After fifteen minutes of use, the user is automatically logged out. Morss also suggested patrons can use the branch Information Stations, which do not allow access to the Internet, but allow patrons access to the District's catalogue and databases for their research. These vary in number by branch.

Morss then asked for questions and feedback from Trustees.

Trustee Hoggard asked why the proposal did not include children. Mr. Morss replied that, in their review of children's use of the computers, staff noted that most children did not bring a library card as parents want to prevent their children from checking out inappropriate material or even too many items. Also, some children use the branches after school and don't bring their wallets with them.

Chair Sanchez asked if there was a standard for computer users at different libraries. Mr. Morss replied that the ceiling varies in the libraries he has contacted. Ms. Sanchez also thought that the \$4.00 ceiling was too low. Her concern was balancing the problem patrons who abuse the system with keeping access available to the computers.

Trustee Benavidez wanted clarification on the age limit for children. Mr. Morss replied that patrons under 18 years of age could use the computers in the children's area of the branches. These computers are filtered.

Trustee Arthurholtz indicated support of the proposal, commenting on her recent experience at the Las Vegas Library. There are lines for computer use, with a seating area for patrons waiting for access, and she felt it was justifiable to limit use to those in "good standing."

Chair Sanchez questioned whether the lines would go down significantly if this proposal is approved. She also wanted to know how far back the \$8.1 million in delinquent fines goes. Mr. Morss responded that the amount goes back five years; after five years, the District declares the

finances uncollectible.

Trustees Hoggard and Carter wanted the fine ceiling set at zero; no one allowed to use the public access computers if they had any overdue fines. Trustee Overstreet indicated he would favor a \$4.00 ceiling.

Trustees agreed they are interested in having a report and recommendation for the public access computers presented at the next meeting. Chair Sanchez, with the concurrence of Trustees, requested the following information be provided:

- Number of express stations at each branch.
- A comparison of the District's proposed policy with neighboring library districts and others mentioned who have instituted similar policies.

Mr. Walters then introduced Human Resources Director, Bud Pierce. Mr. Pierce is the President-Elect of the Southern Nevada Human Resources Association (SNHRA).

Mr. Pierce showed off the First Place award awarded by SNHRA to the District in the "Government" category. The "Best Places to Work" award has been given to the District once before. Last year, the District came in second. The award is based upon an organization's human resource policies, the way employees are treated, and the benefits provided. Judges are from the Northern Nevada chapter.

Trustee Hoggard congratulated staff on their efforts and led a round of applause.

Trustee Spomer joined the meeting via telephone at 6:31 p.m.

Trustee Hoggard asked that the Marketing and Development departments provide an update of their activities to the Board. Those updates are shown in the appropriate sections.

Chair Sanchez moved to accept Reports VI.A. 1-7. There was no opposition and the reports were accepted.

**Public Services and
Security Report
(Item V.A.1.)**

Approved.

**Business Office
Report (Item V.A.2.)**

Approved.

**Human Resources
Report
(Item V.A.3.)**

Approved.

Technology Report (Item V.A.4.) Approved.

General Services Report (Item V.A.5.) Approved.

Marketing Report (Item V.A.6.) Marketing and Community Relations Director Pat Marvel discussed current and future activities of the department.

Currently, the District is celebrating Asian Pacific Heritage Month with programs and activities. Press packets sent out for APAHM included event posters, brochures, bookmarks, and a CD with photos and artwork.

On June 1st, the Summer Reading Program begins with a King Arthur theme. Ms. Marvel said the District is inviting children "to book their magical journeys with us." Also planned are author talks, Book Discussion Groups, and Gallery Exhibits.

Ms. Marvel encouraged the Trustees to look at the District's website, which now features Flash animation to promote various programs on the home page. The summer issue of *Highlights*, *Kids Quarterly* and *Teen Zone* are in production and expected out soon. The department is working on fall events such as Library Card Signup Month and Hispanic Heritage Month.

Trustee Hoggard commented that she saw a poster advertising the Summer Reading program at the Belz Outlets mall. There were no questions from the Trustees.

Development Report (Item V.A.7.) Development Director Suzanne Hackett-Morgan advised the Trustees she has been working on several Library Services and Technology Act Grants, an extension of the E-rate program, and a Foundation direct mail piece that was sent out May 5. Responses are starting to come back from the mailer.

Looking ahead, Ms. Hackett-Morgan discussed the June 19 Library Foundation Board meeting. Included in the agenda are plans to deal with the approval of the AB580 proposal, the state of Nevada's allocation for the Homework Help Center at the West Las Vegas Library. Also on the agenda are plans to discuss the results of prospect research done by Hackett-Morgan to find additional donors to support the Homework Help Center and other projects throughout the District.

Ms. Hackett-Morgan also stated that this is a very exciting time for the Foundation as the donor base is large and there are projects that Foundation donors can fund. Also, the Foundation's new website, www.lvccldfoundation.org, which will feature updated content and an online giving capability, will be up and running soon.

There were no questions from Trustees.

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Unfinished Business None.
(Item VI.)

**Public Hearing on
the Las Vegas-Clark
County Library
District's Proposed
Budget for Fiscal
Year 2006-2007.
(Item VII.A.)**

Chair Sanchez moved to convene the Public Hearing regarding the Las Vegas-Clark County Library District's Tentative Budget for FY 2006-2007. There was no opposition and the motion carried.

Deputy Director, C.F.O. Fred James presented this item. NRS.354.596 requires that a Public Hearing on the Las Vegas-Clark County Library District Proposed Budget be held on the third Thursday in May. Assisting James with the Public Hearing were Robb Morss, Jan Passo, Steve Rice and Al Prendergast.

OVERVIEW

Mr. James defined the challenge for FY 2006-2007 as meeting the challenges of growth through responsible stewardship of public funds and operational efficiencies.

The total revenue for FY 2006-2007 is projected to be \$66.7 million, and total expenditures are \$66.1 million, with a variance of \$0.6 million. This covers all funds. Property taxes make up 63% of total revenue and consolidated sales taxes (CTX) make up 30% of total revenue. Revenue from other sources such as fines and forfeits, miscellaneous revenue, intergovernmental revenue, charges for services and investment income makes up the final 7% of total revenue.

Mr. James then clarified property tax assessed values, a percentage of which funds the District. He explained that property tax is based upon assessed valuation (AV) of property. During FY 2006-2007, Clark County AV is projected to be \$68.1 billion, a 36.5% increase over FY 2005-2006. However, there is not a corresponding increase in the District's budget because of the 3% limit on personal property taxes and 8% limit on commercial property taxes.

The District's property tax bill is comprised of two tax rates, the General Fund and Debt Service. The total tax rate is \$.0866 per \$100 of AV, down slightly from last year. The owner of a home worth \$100K pays about \$26.01 a year or a little more than \$2.17 a month for operations (General Fund) and \$4.31 a year supports the District's Debt Service payments.

CTX revenue is a combination of City and County Relief (sales) and miscellaneous taxes distributed to most Clark County municipalities according to State formula. For FY 2006-2007, the District is projecting \$20.12 million, and increase of 12.10%. CTX revenue accounts for 34.41% of General Fund revenue, nearly the same as in prior years. However, CTX revenue is volatile and can go up and down at any time.

Fines, fees, interest, and contracts account for \$2.19 million, approximately 2% of the total revenues.

Expenditures of approximately \$66.1 million break down into \$49.8 million in the General Fund (75%), \$2.0 million in the Special Revenue fund (3%), \$7.3 million in the Capital Projects Fund (11%), and \$7.0 million in the Debt Service Fund (11%).

GENERAL FUND

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

General Fund Revenue is expected to be approximately \$58.5 million, of which property taxes comprise \$36.2 million (62%), CTX \$20.1 million (34%), and other miscellaneous revenue totals \$2.2 million (4%). Total General Fund revenues will increase by \$7.0 million (13.5%), not all of which is used. Mr. James will explain later during the presentation.

General Fund Expenditures total \$49.8 million. Broken down by category, this includes Salaries and Benefits with \$28.4 million (58%), Library Materials with \$10.0 million (20%), Other Supplies and Services with \$6.1 million (11%), Utilities, Security and Maintenance contracts with \$4.3 million (8%), and Capital outlays which total \$1.0 million (3%).

General Fund expenditures increased by only 5.9% or \$2.7 million, while revenues increased by 13% over last fiscal year. This translates to \$7.0 million in additional revenue which means there is approximately \$4.2 million to transfer to the Capital Projects Fund.

Breaking down the General Fund expenditures by function, Public Services accounts for \$24.0 million (49%), Support Services accounts for \$11.6 million (23%), General Services accounts for \$7.1 million (14%), Administration accounts for \$4.5 million (9%), Information Technology accounts for \$2.3 million (5%).

Public and Support Services includes branch services, youth services, community outreach, collection development and the literacy program. Robb Morss, Deputy Director and C.O.O., outlined this section of the budget proposal. Morss explained that budget requests were approved using the philosophy of "holding the line" on expenditures.

Recurring costs included minimal staffing increases for various branch libraries and Marketing. This includes a total increase of 7.4 FTE. That breaks down to eight pages distributed at various branches, four part-time circulation assistants (for the Rainbow, Sahara West, Spring Valley, and Sunrise branches), an Adult Services Assistant and Librarian at the Virtual Library, and a position in the Marketing Department. There will be an increase of four hours per week for an Outlying Branch Assistant at the Indian Springs Library.

Nonrecurring costs included requests for equipment, furnishings, and a new teen program that uses video games to encourage teens to

increase their use of the library. Mr. Morss commented that teens are a hard audience to reach, and staff hopes that this new program will increase the teen presence at our branches.

Jan Passo, Collection Development Director, explained the Materials Budget expenditures to the Trustees. The materials budget is allocated at just over \$10 million or 20% of the general fund, and is designed to support the *Strategic Plan* goals through 2008. This amount reflects a 6.6% increase over the previous year.

In support of the *Strategic Plan*, the District will continue to purchase high interest materials in print and in audio visual formats, with focused support of homework help for students in grades K-8, and in helping build literate families. The allocation for electronic resources, which is 11% of the budget, will help to incorporate reference titles previously only available in print format, and support the retention and acquisition of new databases and downloadable audio, many which support curriculum or lifelong learning needs of our community.

Ms. Passo continued to say that more patrons prefer Audio Visual formats for learning and recreational purposes. This past year the District saw increases in Audio Visual format circulation, such as audio books and DVD. Paperbacks have also shown increases in popularity. These formats offer both opportunities and challenges to the District which must provide a library environment that will shelve and circulate both print and Audio Visual formats quickly and easily.

Steve Rice, General Services Director, explained the budget requests in the General Services division of the General Fund. Building repairs due to age and wear and tear and minor improvements to facilities come to approximately \$1.0 million. Increased security costs come to \$144,000, part of which is due to the CPI increase mandated by contract as well as added coverage at the Whitney Library during open hours. There is an on-going need to replace aging equipment in the theaters, and \$36,000 is budgeted for FY 2006-2007. Landscape improvements are expected to run \$256,000, the bulk of which will be to replace most of the landscape at the Las Vegas Library. This project will be finished in FY 2007-2008.

Mr. James continued the presentation by explaining the proposed \$8.2 million transfer from the General Fund to the Capital Projects Fund. The Integrated Library Systems Program (ILS) will receive \$750K, the Technology Replacement and Upgrade Program will receive \$1.0 million, the Building Repair and Maintenance Program will receive \$1.45 million, and the Capital Construction Program will receive \$5.0 million.

The ending General Fund balance comes to \$3.8 million or 7.6% of 2006-2007 expenditures. The ending fund balance maintains District targets that are necessary to provide liquidity for cash outflows and acts as a cushion during economic downturns. Any excess balance above 8% may be used for capital improvements or to cover revenue shortfall in future years.

SPECIAL REVENUE FUNDS

Mr. James next explained the Special Revenue Funds, which account for the proceeds of specific revenue sources. The District's Special Revenue Funds are the Grant Fund and the Gift Fund. For FY 2006-2007, the District is budgeting \$2.0 million, of which \$1.5 million covers the Literacy Grant (CALL), and other related grants. Donations in the Gift Fund account for the remaining \$.05 million.

DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation of resources and the payment of principal and interest on the District's general obligation bonds. The FY 2006-2007 budget is \$7.0 million. There are \$34.2 million in bonds outstanding at the close of FY 2005-2006. All outstanding bonds will be fully paid in five years from February, 2007. The debt service levy is \$0.0123 per \$100 of AV.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for the acquisition, replacement or construction of major capital projects and facilities. The District has accumulated \$28.0 million in available resources to be appropriated in four programs in FY 2006-2007 and subsequent budget years. The four programs are the Integrated Library Systems Program with \$2.5 million, the Technology Replacement and Upgrade Program with \$2.7 million, the Building Repair and Maintenance Program with \$3.4 million, and the Capital Construction Program with \$19.4 million. These numbers reflect balances AFTER the \$8.2 million transfer.

Mr. Morss explained the expenditures planned for the Integrated Library Systems program. With \$2.5 million available, \$2.1 million has been allocated to this fiscal year which will complete the payment of the new ILS implemented on February 20, 2006 and also fund a materials handling solution, possibly RFID, which was called out in the efficiencies part of the *Strategic Plan*. The technology will improve service quality, increase efficiency in service delivery, and deploy self-service strategies to reduce waiting time to check out materials.

Al Prendergast, Information Technology Director, C.I.O., reported on the Technology Replacement and Upgrade projects. In FY 2006-2007, \$1.0 million is allocated, the majority of which will be spent replacing approximately 240 systems that are over five years old. The rest of the allocated budget will be used to replace some printers and network related equipment. The District has approximately 1000 computers. The industry-accepted life expectancy of a computer is three years; the District is replacing all of its computers over a five year period. The remaining \$1.7 million will be allocated to subsequent budget years for this purpose.

Mr. Rice explained the allocation for the Building Repair and Maintenance Fund. The allocation for FY 2006-2007 is \$660,000 which will be used for two projects: the Summerlin Library HVAC Chiller Replacement which will cost \$540,000 and the Las Vegas Library HVAC Direct Digital Controls upgrade which will cost \$120,000. The

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remaining allocation will cover building repair and maintenance requirements over the next four years.

Mr. Rice also discussed the allocation in the Capital Construction Fund. The available resources total \$19.4 million, of which \$3.5 million is allocated for FY 2006-2007. Architectural Design Services are budgeted at \$750,000 to cover planning for the efficiency remodeling of current facilities at 11 urban branches, the West Las Vegas Homework Help Center, the Centennial Hills Library and the Materials Processing Center.

Preliminary construction will begin on the Centennial Hills Library and the Homework Help Center by year's end and is budgeted at \$2.8 million. The remaining balance in the fund will be applied in subsequent budget years to accomplish efficiency remodeling of current facilities and to complete the construction of Centennial Hills, the Homework Help Center and the Materials Processing Center.

Mr. James also noted that between the printing cycle of the Proposed Budget and the adoption of the Budget, approximately \$50,000 in Capital and Human Resource allocations were not picked up by budgeting formulas. Those allocations will be reflected when the District files the Adopted Budget with the state of Nevada.

Mr. James concluded the presentation by asking for questions from the Trustees. There were no questions.

**Public Comment
Regarding Proposed
Budget. (Item
VII.A.)**

None.

Chair Sanchez moved to close the hearing. There was no opposition and the motion carried.

**Discussion and
possible Board
action to adopt the
Las Vegas-Clark
County Library
District's Proposed
Budget for Fiscal
Year 2006-2007.
(Item VII.B.)**

Trustee Hoggard commended District staff for their work preparing the budget.

Trustee Spomer moved to adopt the Proposed Las Vegas-Clark County Library District's FY 2006-2007 Budget subject to any modifications as outlined by staff and directed by Trustees and to instruct staff to adjust estimated Fiscal Year 2006-2007 revenues in accordance with final estimates from the Department of Taxation provided such estimates are received in sufficient time for staff to make adjustments by the June 1, 2006, filing date. There being no opposition, the motion carried.

**Discussion and
possible Board
action regarding the
Chair's call for
nominations to form
a Nominating
Committee for
Board officers for
Fiscal Year 2006-
2007.**

In accordance with Article 5 of the Bylaws of the Board of Trustees, at the first regularly scheduled meeting in May, the Chair shall call for nominations to a Nominating Committee consisting of at least one officer of the Board and any other two Board members and shall designate one of their members to act as the chair of the committee. The Nominating Committee shall prepare a recommended slate of proposed officers for the next term of office consisting of one candidate each for the office of Chair, Vice Chair, Secretary and Treasurer.

Trustees Arthurholtz and Overstreet volunteered to serve on the

(Item VII.C.)

Nominating Committee. Chair Sanchez appointed Trustee Benavidez as the committee chair.

Chair Sanchez moved to accept the slate of nominations to the Nominating Committee. There being no opposition, the motion carried.

Discussion and possible Board action to amend the Library Rules of Conduct to include information regarding possible trespassing of patrons who violate said rules and information on the appeal process. (Item VII.D.)

Mr. Morss introduced this item. The Board of Trustees adopted Library Rules of Conduct in February 1991, which have been amended in 1991, 1996, 1997, and 2004.

After research and discussion with District counsel, staff is recommending that a section be added to the Rules of Conduct that formally notifies patrons about the possibility of being trespassed if a serious infraction of the said rules occurs as well as information detailing the appeal process for patrons to follow. Proposed text is attached to this agenda item for Trustees' review.

Patrons who are trespassed will also be given a handout stating why they have been trespassed and for how long in addition to where they may send their written appeal should they wish to appeal.

Trustee Benavidez asked for clarification on the appeal process. Mr. Morss responded that the patron who was trespassed must write a letter to the Executive Director within 14 days of the trespass action explaining why they feel they should not have been trespassed.

Chair Sanchez moved to amend the Library Rules of Conduct to include information regarding possible trespassing of patrons and information on the appeal process. There being no opposition, the motion carried.

Discussion and possible Board action regarding contract award for the upgrade of the fire alarm system for the Summerlin Library/Theater. (Item VII.E.)

Mr. Rice introduced this item. Funds were allocated in the General Fund's Capital Improvement budget to upgrade the fire alarm system for the Summerlin Library/Theater. The current system is over 12 years old and parts required to make repairs are no longer available from the manufacturer.

An Invitation to Bid was advertised in the *Review-Journal* and the community based minority newspapers. Additionally, the Invitation to Bid Notice was faxed to all minority Chambers of Commerce and to fire alarm system contractors listed in the Clark County and City of Las Vegas MBE, WBE, SBE, and PBE business directories and was posted on Clark County's "Fax on Demand" system. The bid opening was held on May 1, 2006. Three (3) bids were received. One (1) of the bids received was determined to be non-responsive. The bid results are as follows:

Bidder

| | |
|--|-------------|
| SimplexGrinnell | \$61,000.00 |
| Siemens Building Technologies (non-responsive) | \$48,500.00 |
| A-1 Security Ltd. | \$45,605.00 |

The lowest responsive and responsible bidder is A-1 Security Ltd with their bid of \$45,605.00.

Trustee Overstreet moved to authorize staff to award a contract to upgrade the fire alarm system for the Summerlin Library/Theater to A-1 Security Ltd. for an amount not to exceed \$45,605.00. There being no opposition, the motion carried.

Announcements
(Item VIII.)

Mr. Walters will contact members of the Nominating Committee to schedule their meeting. The Finance and Audit Committee meeting will be held immediately before the next Board meeting, so the Nominating Committee will need to meet prior to the Finance and Audit Committee or meet another day.

Mr. Walters also asked all Trustees present to remain after the close of the meeting in order to sign the Adopted Budget transmittal to the State of Nevada. Trustee Sponer will be noted on the transmittal as being present via telephone.

Chair Sanchez announced that the next Board Meeting will be held Thursday, June 8, 2006 in the Clark County Library at 6:00 p.m. It will be preceded by the Finance and Audit Committee meeting at 4:30 p.m.

Public Comment
(Item IX.)

Wm. Allen Kaercher of 1908 Red Robin Court, Las Vegas, NV 89134.

Mr. Kaercher identified himself as the President of insurance broker Kaercher Campbell & Associates. He indicated he had previously been hired by former Trustee Barbara Robinson as broker for the District's insurance. He stated he participated in the previous RFQ as well as the most recently advertised RFQ to choose a new insurance broker of record and that his firm was not granted an interview. He indicated that he had received a reply from the District regarding his letter of protest which was denied.

Mr. Kaercher disagreed with the District's position regarding the overstatement of commission savings in the letter denying his protest. He stated it is his company's policy when working with municipalities to cut its commission and make the insurance companies, "max those, if not give more." He stated the turnaround could be close to 5-10% on an annual basis.

Kaercher stated he came to ask that the denial of his letter of protest be overturned at a hearing. He indicated that he would be requesting copies of the District's insurance policies for the last three years. He repeated his request for a hearing by the Board of Trustees on his letter of protest.

General Counsel Welt reminded Trustees that they could not respond to the comments as the topic had not been placed on the agenda in compliance with open meeting requirements. Chair Sanchez thanked Mr. Kaercher for his comments.

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Adjournment (Item X.)

Trustee Sanchez moved to adjourn the meeting at 7:14 p.m. There was no opposition and the motion carried.

Respectfully submitted,

Kelly Benavidez, Secretary