

MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES MEETING
LAS VEGAS, NEVADA
May 17, 2007
(approved June 14, 2007)

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 17, 2007.

Present:

| | | |
|----------|---|------------------------|
| Board: | V. Davis-Hoggard | L. Overstreet |
| | F. Sponer (via phone/in person) | K. Carter |
| | A. Arthurholtz | A. Aguirre (via phone) |
| | K. Benavidez | J. Costello |
| Counsel: | G. Welt | |
| Absent: | L. Harala | |
| | E. Sanchez | |
| Staff: | Daniel L. Walters, Executive Director Numerous Staff | |

V. Davis-Hoggard, Chair, called the meeting to order at 6:08 p.m.

Roll Call All members listed above represent a quorum. Trustee Sponer attended via phone until her arrival at 6:18 p.m. Trustee Aguirre attended via phone until 7:05 p.m. Trustee Benavidez left the meeting at 7:33 p.m.

Chair Davis-Hoggard welcomed new Trustee Jamie Costello, whose first meeting was on May 7 at the Special Board meeting.

Agenda Trustee Sponer moved to approve the Agenda as proposed. There was no opposition and the motion carried.

Approval of Proposed Minutes of Finance and Audit Committee Meeting, April 5, 2007, Regular Session, April 12, 2007, and Special Board Meeting, May 7, 2007.

Trustee Costello confirmed with Counsel Welt that he could approve minutes for meetings he did not attend.

Trustee Arthurholtz moved to approve the Minutes of the Finance and Audit Committee Meeting held April 5, 2007. There was no opposition from Committee members and the motion carried.

Counsel Welt requested the Proposed Minutes for the Board of Trustees Meeting held April 12, 2007, be corrected as follows: Page 9, Item VIII.F. second paragraph, first sentence, add, "but can make an independent decision regarding the item." Trustee Carter moved to approve the minutes as corrected. There was no opposition and the motion carried.

Executive Director Walters requested the Proposed Minutes for the Special Board of Trustees Meeting held May 7, 2007, be corrected as follows: Page 4, Item III., first paragraph, second sentence, add "(the removal of the current contract language regarding promotion and transfer)." Chair Davis-Hoggard moved to approve the minutes as corrected. There was no opposition and the motion carried.

**Chair's Report
(Item IV.)**

Chair Davis-Hoggard reported on the annual Library Legislative Day in Washington, D.C., which she attended in April, along with Mr. Walters and a staff contingent from several Nevada libraries. Davis-Hoggard said the Nevada library contingent met face to face with Congresswoman Berkeley and Congressman Porter and had a very productive meeting with a senior staffer for Senator Reid. At the breakfast hosted by Nevada's congressional delegation, Davis-Hoggard was able to greet Congressman Heller. Walters said he was able to briefly talk to Senators Reid and Ensign at the Senatorial breakfast hosted by the two senators. Walters also felt that the event, sponsored by the ALA Washington office, was very well organized.

Chair Davis-Hoggard said she also attended the Trustee briefing at the event. She believes the Association of Library Trustees and Advocates (ALTA) to be better organized than in previous years and trusted Trustee Arthurholtz will find that to be the case in June when both plan to attend the ALA Annual meeting.

Chair Davis-Hoggard asked Trustees to review their calendars for a Trustees Retreat to be scheduled in July. After discussion, Board members agreed to meet on Thursday, July 12 starting at 3:00 p.m. and extending through dinner and on Friday, July 13 from 8:00 a.m. until 2:00 p.m. The Retreat will take the place of the regular Board meeting. The purpose of the Retreat will be to discuss an update to the District's *Strategic Service Plan*.

Chair Davis-Hoggard requested an item to be added to the agenda for June's Board meeting. The item would be the discussion of a salary increase for Mr. Walters. Chair Davis-Hoggard believes that in the time since the Board last approved a salary increase for Mr. Walters, all staff members have received several increases.

Chair Davis-Hoggard then requested that brief reports be given by staff, in order to familiarize new Trustee Costello with District operations.

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

Director Walters said that April unexpectedly turned out to be the busiest travel month of his career as he attended two board meetings, one for PLA in Chicago, and one for WebJunction in Seattle. He also attended Legislative Day in Washington, as well as traveling to Carson City to testify to the Legislature. Walters mentioned he will finish his term as PLA Past-President at the ALA Meeting in June. The PLA Board meeting he attended in Chicago was combined with a Firefly meeting. The Firefly meetings are those Walters has been holding with other large urban public library directors regarding the Innovative Interfaces, Inc. technology.

Mr. Walters briefly reported on changes in PLA structure to enable better attendance at committee meetings and other programs using the Internet.

Earlier this year, Mr. Walters had been asked to join the WebJunction

Advisory Board. Last month was his first meeting. Walters said WebJunction is funded by the Bill and Melinda Gates Foundation and administered by OCLC, the Online Computer Library Center. OCLC received a three-year grant to build a web portal for public libraries and other organizations that provide public access to information which became WebJunction. One current activity for the site is to be the center for the administration of the last phase of the Gates Foundation technology grants to public libraries.

Mr. Walters also discussed his experiences at Legislative Day in Washington, D.C., the new Trustee appointment and Trustee Costello's orientation process. Walters also met with Gary Mauger to sign the contracts once the Board had approved the contract with the bargaining unit.

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

Deputy Director, C.O.O. Robb Morss reported that circulation in April was up 3% over the same period last year. He highlighted several other activities in his report:

Amnesty Week took place in April and over 11,000 items were returned that were at least one month overdue or more.

Mr. Morss acknowledged the work of Jennifer Schember, the District's Community Outreach and Adult Services Coordinator, who spearheaded activities for **Reading Las Vegas presents the Big Read** in April, featuring author Amy Tan's book, *The Joy Luck Club*.

Mr. Morss reported that there were over 7,400 participants in **Reading Las Vegas**, which was a significant increase over the previous year. Program attendance numbered over 3,700 which was a huge increase over previous years. There was much positive feedback from participants and quite a bit of positive press coverage of Ms. Tan's visit. Morss congratulated Ms. Schember and her committee chairs and staff for their hard work. Chair Davis-Hoggard added her congratulations and said she very much enjoyed Ms. Tan's presentation.

Mr. Morss then reported on Public Services Director Marie Cuglietta's work with Metro, a representative of which came to talk to branch managers and department heads regarding security concerns at branches.

Mr. Morss also reported on the arrest, prior to the start of the meeting, of a patron who had been stealing DVDs and CDs from various branches. Earlier, staff had been alerted to a person attempting to resell District property to a store owner in Green Valley. He was apparently well-known to the staff of several District branches.

When the patron was sighted at the West Charleston branch today, Branch Manager Denise Gerdes and her staff apprehended the patron with the assistance of the Community College police. The patron was breaking open the security cases in the restroom and the CDs he tossed

into a dumpster were recovered. The patron is in the detention center. Trustees expressed their appreciation for staff's work.

Chair Davis-Hoggard asked how much money the District received during Amnesty Week. Mr. Morss said the District waived approximately \$147,000 in fines and would provide a report at the next Board meeting showing how much in fines the District collected during Amnesty Week.

Trustee Benavidez asked if the District would "throw the book" at the patron apprehended for taking District materials. Mr. Morss replied that the District is pressing charges and would prosecute to the fullest extent possible.

Trustee Aguirre asked for a report at a future date on initiatives to prepare District staff for terrorist or other related threats. He also wanted to commend staff for the increases in the tutorial program and wanted to know how the District is informing the Clark County School District and parents of the program. Mr. Morss said he would prepare a report responding to these questions.

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

Deputy Director, C.F.O. Fred James described the Business Office functions: preparing the annual budget, financial statements, and monitoring District revenues and expenditures, including accounts receivable.

Mr. James reported that CTX revenues are coming in exactly as his office predicted, \$1 million short of estimates, so the District has adjusted expenditures accordingly. Expenses for District departments are within their budgets for this period so expenditures are on track. All other revenues, such as the District's share of property tax revenue, are also on track.

Chair Davis-Hoggard indicated that Mr. James had briefed Trustee Costello regarding the budget and the Business Office functions at a separate meeting.

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

Human Resources Director Bud Pierce briefly described Human Resources activity during the month. He noted on his report that some positions are listed twice. These positions are covered by the collective bargaining agreement and must be opened for bid internally first, and then may be opened to outside recruitment if there are no qualified internal candidates. Pierce pointed out the orientation and training activities of staff, as well as community outreach. Mr. Pierce also highlighted the District's diversity statistics shown every month. District statistics are compared to those of the Clark County population as a whole.

Trustee Costello asked where the Clark County data originates. Mr. Pierce replied that District staff provides the data which Trustees Arthurholtz and Benavidez noted is credited in the report as the U.S. Census Bureau. Pierce also noted that the District breaks out the Latino staff members separately.

Mr. Pierce mentioned the Diversity Action plan provided with his report and mentioned that in February or March of each year, the Diversity Committee will provide a report on the results.

Trustee Aguirre commended Mr. Pierce on the efforts to increase diversity in the Native American and Hispanic populations among the District staff.

Chair Davis-Hoggard suggested that Trustee Costello be provided a copy of the most recent report from the Diversity Committee and Mr. Walters said that would be done.

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

Information Technology Director, C.I.O. Al Prendergast described his department's areas of responsibility: phone systems and network infrastructure which includes servers, pc's, desktops, and related software.

Mr. Prendergast highlighted several items from his report, including updating the Board on development work done since the February 2006 installation of the Innovative Interfaces Inc. (III) integrated library system (ILS). He mentioned one of the items in development was to implement an ecommerce solution on the District's self-check machines. Patrons who are unable to check out materials due to outstanding fines can now pay with a credit card utilizing a card swipe system at the self-check machines. There is no need to then see a staff member and take more time on their transactions. Prendergast reported that the card-swipe item is now complete.

Mr. Prendergast said the next item concerns the ability to pay fines online using the new ILS technology without going through Verisign, the current vendor. This saves an annual fee and a transaction fee on each item paid. Work is continuing on this item.

Mr. Prendergast also reported to the Board on upgrades to the District's Timestar system for tracking staff hours, the progress of the West Las Vegas Homework Help Center equipment, work on the RFID project with consultant Joe Ford, and the reason for the connectivity problems with Sandy Valley. Prendergast explained that high winds and gunshot damage to the microwave tower are the reason for the current connectivity issues at this rural branch.

Trustee Aguirre asked Mr. Prendergast to comment now or at a future meeting on mechanisms in place to obtain staff feedback regarding server connectivity issues. Aguirre mentioned he was in a branch recently and a staff member apologized for the slowness connecting to the system in fulfilling Aguirre's request.

Mr. Prendergast replied that the District has a trouble ticket system which provides status updates and a survey so that his department can track response levels and satisfaction. Prendergast also advised Trustee Aguirre of the recently resolved slow connectivity issue with Embarq at the Spring Valley, Rainbow, and Sahara West branches.

Aguirre said he had been at the Sahara West branch and was pleased to know the problem had been resolved.

Mr. Walters wanted to note that the development activity undertaken by the District with III is unique and there is great interest across the country in the results. Walters explained that, because of the potential transaction loads with the District's bank, III was required to create a program so the accounts could be handled in a commercial fashion. Transactions now run directly to the District's merchant accounts at Wells Fargo, as opposed to going through Verisign. Walters continued to say that there is a significant difference in the fees and work for the Business Office because of the consolidated reporting and reconciliation of receivables now that the program is set up.

Mr. Walters said that as far as he knows, the District is the only library in the country that is handling its e-commerce commercial transactions through a business merchant account as opposed to a third party authorization. Walters said this is a significant, long-term achievement for III, even though there was some resistance at first. Walters congratulated Mr. Prendergast for his work on the project.

Trustee Costello wanted to confirm that the District no longer pays a fee to Verisign on top of the merchant account. Prendergast confirmed that the District no longer pays a transaction fee.

Mr. Prendergast described the size of the District's network. There are 24 branches, and the Metro prison, Nellis Air Force Base library and Boulder City Library District also contract with the District for ILS access. On the District network there are 26 wide area connections which include T1's and OC3's for hi-speed connectivity. The Mt. Charleston branch is the only location, due to limited facilities, that does not have the hi-speed access. There are in excess of 50-60 file servers, with each branch having at least one. The Las Vegas Library has 3-4, as do several other large branches. Most servers are located at the Clark County Library, the District's network hub. The District has 1,100 plus personal computers (PCs) on the network which range from laptop devices, power workstation towers for the Graphics Department and the regular PCs for staff and patron use.

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

General Services Director Steve Rice explained the different areas and their functions under his supervision which include Facilities Maintenance, Technical and Production Services, Gallery Services and the Courier department. His department also supervises the District's security contracts, risk management and the District's safety program. Rice also oversees of all District remodeling and construction projects.

Chair Davis-Hoggard asked for an update on the West Las Vegas and Centennial Hills projects.

Mr. Rice said that construction on the West Las Vegas Library Homework Help Center and efficiency remodel started on May 1st and is progressing well except for a minor mishap. A fire sprinkler line broke and caused a minor flood which was quickly resolved. There was no

delay to the project. Rice also invited Trustees who are interested in a tour of the site to contact Mr. Walters' office with their interest. All the demolition work has been completed and Trustees can see how much the space has been opened up. Construction is due to be completed in approximately three months.

Chair Davis-Hoggard commented on signage and suggested better directional signage so patrons know the normal entrance is closed and where the temporary entrance is located. She parked on one side of the building and had to walk to the other side. She also said that many West Las Vegas patrons are older and would appreciate more direction on the location of the temporary entrances. Mr. Rice said he would look into the issue.

Mr. Rice said there was a very successful bid opening for the construction contract for the new Centennial Hills Library on Wednesday, May 16 and provided information to Trustees. He explained the information is a summary of information his department makes available upon request to any interested party now that the bid opening is complete. Rice explained that his department will now work to ensure the low bidder is responsive in order to present the contract award at the June Board meeting. Construction is scheduled to begin in July.

Mr. Rice said Rafael Construction, Inc. (Rafael) was the low bidder at \$16,846,055 bid which includes \$229,000 for the stone veneer option. The number compares favorably to the budget figure of \$16.7 million excluding the add/alternate for \$294,000 for the stone veneer option. Rafael's total amount is \$150,000 over the estimate and is less than a 1% difference. Rice is very pleased with the results, considering the current bidding climate.

Chair Davis-Hoggard asked if the District has any information on Rafael's previous projects. Mr. Rice said that Rafael has done several public works projects for the City of Las Vegas, the Clark County School District and is on the pre-qualified contractors list for the State of Nevada Public Works Board and the Nevada Department of Transportation. Mr. Walters said the District, at this time, has had no reports about Rafael regarding performance on a public works project.

Discussion ensued regarding NRS 338 requirements for qualifying a contractor for a public works project. Mr. Rice explained that the District is required to check that the contractor is licensed to cover the scope of the project, can obtain bonding at 100% of the project cost, and to see if the contractor has any issues before the labor commission regarding prevailing wages.

Trustee Costello commented that there is not much difference between the two lowest bids and Mr. Walters noted there is a tremendous congruence in the list of subcontractors submitted by the three low bidders. Walters also commented that the Board has worked diligently to create opportunities for minority contractors to bid on projects and Rafael is a minority contractor. Trustee Overstreet remarked that it is

important to note that there is only 4.5% spread between the bids on a \$17 million bid which is a very good thing.

Trustee Aguirre had several questions for Mr. Rice to address at a later meeting, as Aguirre had to leave the meeting at this time. Aguirre asked what provisions the District has made to encourage the contractor to engage minority subcontractors, the feedback from patrons regarding the West Las Vegas project and whether there has been a meeting to advise branch patrons of the improvements planned for West Las Vegas, and who is providing the interbranch courier services for the District.

Trustee Aguirre also wanted to extend his thanks to Denise Shapiro, Gallery Services Coordinator, for hosting the Guatemalan artist Elsie Wunderlich at the Summerlin Library. He then had to leave the meeting.

Mr. Rice said that in the next month, he will update Trustees on the efficiency remodel project for the ten remaining urban branches, now that the West Las Vegas and Centennial Hills projects are under way. In the last few weeks, Rice has met with the architects selected last year to participate in the project.

Chair Davis-Hoggard asked if all ten branches would be remodeled at the same time. Mr. Rice said the branches have been divided into three groups and a schedule will be worked out so that the work is phased. Rice does not want branches in any one area to be affected at the same time. Also, his department would not be able to oversee such a large number of projects happening at once.

Chair Davis-Hoggard commended Mr. Rice for his thoroughness.

Marketing Report (Item V.A.6.)

Pat Marvel, Director of Marketing and Community Relations, explained that her department is responsible for developing and implementing the District's strategic communications.

The functions of Ms. Marvel's department range from issuing press release for all District activities such as the **Reading Las Vegas presents the Big Read** and the Summer Reading programs, producing all items with a District logo such as newsletters, brochures, flyers, posters and the invitation to Staff Day in June which Ms. Marvel showed to Trustees. Her department also creates tie-ins for all these events and activities on the web site such as a web page for teens and a section devoted to Homework Help.

Ms. Marvel highlighted the advertising equivalency section of her report, explaining that this is one of the ways to measure the effect of her department's efforts. Marvel said that advertising equivalency is the dollar value of the free publicity the District receives. Her department looks at the column inches of the editorial coverage and the air time for radio and television the District receives and determines the money the District would have to spend on advertising to receive the same amount of coverage. Marvel said that in March and April, the

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District received over \$300,000 in advertising equivalency and contrasted that figure with the advertising budget for the year which is \$65,000. She expects the District to receive over \$1 million in advertising equivalency for the year.

Chair Davis-Hoggard asked Ms. Marvel about the date of Staff Day. Marvel said it would take place on June 15 at Texas Station. Chair Davis-Hoggard encouraged all Trustees to attend. Chair Davis-Hoggard also asked about a date for the Centennial Hills groundbreaking and Mr. Walters said he would have a date for that event at the June Board meeting.

Chair Davis-Hoggard congratulated Ms. Marvel for her department's work in getting so much value from advertising equivalency.

**Development Report
(Item V.A.7.)**

Suzanne Hackett-Morgan, Development Director explained that her single-person department deals with fundraising for the District from private and public sources that do not involve taxes. She also handles fundraising, administrative and financial duties for the new Las Vegas-Clark County Library District Foundation and acknowledged Trustee Sponer who also serves as the Foundation's president.

Ms. Hackett-Morgan works on a number of grants and also administers the District's E-Rate program. She explained that the E-Rate program is a discount reimbursement on the District's telecommunications charges. The program is administered by the Universal Service Corporation and funded by a charge on telecommunications bills which is returned to schools and libraries through an annual process. The program has proven very valuable to the District.

Ms. Hackett-Morgan provides a list of the grants and funding requests she puts together on her reports but noted that the results usually show up on other reports such as the Public Services or the Business Office reports.

Trustee Costello thanked staff for their reports and the information. Trustee Benavidez moved to accept Reports V.A.1-7. There was no opposition and the reports were accepted.

**Unfinished Business
(Item VI.)**

None.

**Public Hearing on
the Las Vegas-Clark
County Library
District's *Proposed*
Budget for Fiscal
Year 2007-2008.
(Item VII.A.)**

Trustee Sponer moved to convene the Public Hearing regarding the Las Vegas-Clark County Library District's Tentative Budget for Fiscal Year 2007-2008. There was no opposition and the Public Hearing regarding

the Las Vegas-Clark County Library District's Tentative Budget for Fiscal Year 2007-2008 was convened.

Mr. Walters advised Trustees that he believes the *Proposed Budget* is the most unusual he has presented during his tenure at the District. The District plans to spend approximately 25% of total expenditures on capital projects during the upcoming fiscal year which would not be

uncommon if the District were implementing a bond issue, which is not the case. Walters continued to note that the budget year will mark the second time that the Board and staff have achieved the lion's share of the District's *Strategic Service Plan* ahead of schedule. A brief planning retreat is needed to obtain Board direction regarding necessary revisions of the District's capital and operating plans.

Mr. Walters said that with presentation of the FY 2007-2008 budget, Trustees will see the result of the work done after the bond issue failed to pass. Walters reminded Trustees of the challenges faced when the District had to address its critical needs. The needs included not only new libraries, but also items with less overt appeal such as capital-intensive infrastructure improvements. These include software, major network improvements, HVAC system replacements and PC replacements at regular intervals. Planners told the District it had reached capacity in its ability to handle items. The choices for the District were to add staff, which would take all of the District's available revenues, or invest in new technologies and find ways to fund the needed projects. The District has been saving its money through planning and Trustees will see the results with this budget.

Mr. Walters referred to Mr. Rice's report about the Centennial Hills Library, a \$17 million building, 40% of which is dedicated to support services and future expansion, being built out of saved revenues. Also, the District is moving forward on the second major technology improvement identified by the planners. Walters asked Trustees to keep these items in mind as Mr. James and his team present the budget. Walters feels particularly proud that the *Proposed Budget* reflects the culmination of work done by Trustees several years ago in mapping out goals for the District to achieve in spite of the fact that the expected capital funding was not available.

Mr. James, along with Mr. Morss, Mr. Prendergast, Collection Development Director Jan Passo and Mr. Rice presented the *Proposed Budget*.

Mr. James began the budget presentation with background information: In July of 2001, the District implemented the Board's *Five Year Strategic Service Plan* for the years 2001-2006. The *Plan's* priorities were guided by the needs and desires expressed by District patrons. As a result of patron feedback, the District made significant changes to the way it did business. The District provided better access to popular books, movies and music; easy access to information and services through the Internet; more lifelong learning programs and events to celebrate community. These efforts were a tremendous success, and were a large factor in the District's recognition as Library of the Year for 2003 by the Gale Corporation and *Library Journal*.

The *Five Year Strategic Plan* also called for a strategy to meet the community's explosive growth through a bond issue proposal designed to fund and staff four new libraries as well as improvements to existing libraries. When the bond issue failed to pass, the District faced the challenge of how to maintain the service quality that the public has

come to expect in its existing libraries and how to provide library services to growth areas that do not have neighborhood libraries – all while “living within our means” without an infusion of capital funds.

Determined to do everything it could to serve the community, the Board held a retreat in March, 2004 to explore strategies for funding expansion without raising taxes. As a result of discussion held during the retreat, the Board established the Capital Projects Fund to allow the District to accumulate available funds to address the priorities determined by the Board – to maintain and repair buildings and infrastructure, provide for limited improvements in high growth areas and build a new library branch.

In May, 2005, the Board adopted the new *Three Year Strategic Service Plan 2005-2008*, that recommended strategies to address increased service demands. These included practicing a “hold the line” budget strategy and committing a portion of funds from the operating budget into the Capital Projects Fund for facility improvements and to increase efficiencies to contain operating costs in future years.

Through this strategy, the District has been able to save money to address the most critical capital projects. Twenty-five percent of budgeted expenditures are in the capital area, an accomplishment achieved without having to borrow money.

The savings will:

- Build a new library in the underserved area of Centennial Hills in the northwest
- Staff and stock the new library with resources transferred from the Green Valley Library as a result of the District's boundary realignment agreement with the City of Henderson
- Construct the District's first homework help center at the West Las Vegas Library
- And pay for desperately needed improvements at existing urban branches

This budget year marks a major change in terms of the District's expenditures. By staying the course outlined in the new *Strategic Plan*, the District will have available \$41.2 million dollars for the Fiscal Year 2007-2008.

The *2007-2008 Proposed Budget* outlines how the District proposes to allocate a portion of that savings. Later in the fiscal year, the Board will refine its plans to complete the allocation of that savings to other projects recommended in the Board's *Plan*.

Mr. James said the message of the *Fiscal Year 2007-2008 Proposed Budget* is to stay the course, maintain quality services and implement the Capital Projects Plan.

Mr. James said the Fiscal Year 2007-2008 revenue for all funds, which include the General Fund, Capital Projects Fund, Special Revenue Fund,

and Debt Service Fund, totals \$74.3 million. Expenditures are allocated at approximately \$86.2 which leaves a variance of \$11.9 million. The variance is funded by using the money in reserves. James explained that 92% of the District's revenue is derived from the District's share of property tax and consolidated tax receipts. The remaining 8% comes from fines and forfeits, intergovernmental revenue, investment income and charges for services.

Mr. James continued to say that the District's property tax base is based upon the assessed valuation of property. In the last seven years, there has been a steady rise in assessed value (AV). In the 2005-2006 fiscal year there was a 36% increase and in the 2006-2007 fiscal year there was an 18% increase in AV. The increase in AV does not directly translate into a 36% or 18% increase in the District's budget, due to state-mandated caps on property value assessments. Property is assessed at 35% of actual estimated value.

Mr. James explained the District's property tax revenue is made up of two tax rates which fund the General Fund and the Debt Service Fund. The combined tax rate is \$.0866 per \$100,000 AV, which has not changed in the last several years. The rate per \$100,000 AV translates to about \$30.32 yearly or \$2.53 monthly which breaks down to \$26.01 per year, or a little more than \$2.17 a month for the General Fund operations and \$4.31 per year or \$.36 a month for the Debt Service payments.

Mr. James then explained consolidated tax (CTX), which he said was the most volatile. CTX is based upon the sales of automobiles, liquor, homes, anything with a tax associated with the purchase. During the 2006-2007 Fiscal Year, CTX was budgeted at \$20 million, and James said Trustees should notice that the actual CTX revenue did not come in higher, as had happened in previous years. CTX revenues had been increasing over the last several years, but consumer activity has flattened out. James therefore is budgeting \$20.1 million for CTX revenues, the same as last year, due to the decrease in consumer activity.

Mr. James discussed the breakdown of the 2007-2008 budgeted expenditures. Expenditures total \$86.2 million and 64% or \$55.1 million is allocated to the General Fund, 3% or \$2.2 million to the Special Revenue Fund, 25% or \$21.9 million to the Capital Projects Fund, and 8% or \$7 million to the Debt Service fund.

Mr. James said that the District proposes to transfer \$13.5 million from the General Fund to the Capital Projects Fund for capital programs. The total includes \$1 million to the Technology Replacements & Upgrades Program, \$2 million to the Building Repair & Maintenance Program, and \$10.5 million to the Capital Construction Program.

GENERAL FUND

Mr. James described the General Fund as the operating budget fund of the District. It is used to account for all District financial resources

except those required to be held in separate funds.

General Fund revenue for Fiscal Year 2007-2008 is budgeted at \$64.6 million with property taxes making up 96% of the total revenue. Property tax revenues account for 65% or \$41.8 million, CTX is 31% or \$20.1 million and other miscellaneous revenue totals 4% or \$2.7 million. Total General Fund revenues are budgeted to increase 11% or \$6.1 million from the previous fiscal year. Mr. James noted that the fiscal year 2006-2007 increase in the General Fund from the 2005-2006 fiscal year was driven by the increase in CTX. The fiscal year 2007-2008 fiscal year increase from the 2006-2007 fiscal year is driven by the increase in property tax revenues.

General Fund Expenditures are budgeted at approximately \$55.1 million. The expenditures are separated into the five separate library functions. Public Services accounts for 68% or \$37.4 million, Support Services accounts for 4% or \$2.4 million, General Services accounts for 14% or \$7.7 million, Administration accounts for 14% or \$7.7 million and Information Technology accounts for 5% or \$2.5 million.

Mr. James explained that the \$55.1 million of General Fund expenditures are categorized as follows:

- *58% or \$31.9 million* goes to salaries and benefits. As with any service organization, personnel costs are a significant part of the total operating budget of the District. All urban branches are open 7 days a week for a total of 72 hours. Controlling growth in staffing levels is an important key to the long-term maintenance of library services.
- *20% or \$10.9 million* for library materials. The budget continues the established support of 20% for the General Fund for materials. Investing in the collection continues to attract new library patrons and increase in circulation. The District has been able to achieve a 20% level for the last 5-6 years. Mr. Walters noted that the District ranks in the top 2 or 3 in the United States of libraries serving populations of over 1 million in terms of expenditure per capita on materials. District per capita spending is \$38.31 per person. For libraries serving a population over 1 million District spending is just above the average spending of \$26.86 per person per capita according to the PLDS Statistical Report 2005.

Mr. Walters noted that one of the questions asked by Trustee Costello in his orientation was how the District measured service. Walters said that people expect two things from libraries, open hours and plenty of materials. The District has invested most of its money in salaries and benefits and library materials in order to satisfy these expectations.

Mr. James said the other two General Fund expenditures categories are:

- *12% or \$6.5 million* for other services and supplies.
- *8% or \$4.4 million* for utilities, security and maintenance concerns.
- *2% or \$1.4 million* for capital outlay.

Mr. James said the balance of the General Fund at end of the 2007-2008 Fiscal Year will be \$2.5 million or 5% of 2007-2008 expenditures. The ending fund balance maintains a District target to provide liquidity for cash outflows and acts as a cushion during economic downturns. James noted that excess balance above 8% may be used for capital improvements or to cover revenue shortfall in future years.

Mr. Morss explained that Public and Support Services includes branch and related services including Collection Development and he discussed the Public Services budget. Morss said that the budget requests were approved on an as-needed basis with an overall philosophy of maintaining a neutral budget.

Recurring costs included minimal staffing increases for various branch libraries and support departments. Staff increases totaling 7.4 FTE include: 10 pages, 1 full time librarian, 3 part time computer center assistants, 2 part time adult services assistants, 1 microcomputer and network analyst, reclassifying and reassigning positions in several areas, and increasing hours for an assistant at an outlying branch. There are also 16 temporary positions to implement and complete the RFID tagging of 2.3 million items, the entire collection.

Nonrecurring costs included requests for equipment, furnishings and programs such as public copy machines, LCD projectors, laptops, peripheral computer support equipment and new chairs for various branch libraries. The budget also includes \$200,000 for the new planning process.

Ms. Passo provided details on the Library Materials budget proposal and explained that the materials budget is allocated to support the *Strategic Plan* goals. Allocated at 20% of the General Fund, the budget reflects a materials spending level of \$7.07 per capita. The per capita spending is the second highest among library systems serving populations roughly equivalent to the District.

Ms. Passo explained that the spending priorities include books, audio visual materials, homework support, electronic resources, and languages which provide for a balanced and diverse collection in a variety of formats and languages. 12% of the materials budget is allocated for electronic resources which supports reference resources, the retention and acquisition of databases, downloadable audio books, and music and video. Passo noted that District patrons increasingly prefer audio visual formats for learning and recreational purposes. In the past year, District staff saw increases in the circulation of audio visual materials, including those in downloadable formats, as well as print bestsellers and graphic novels.

Mr. Rice provided details on the General Services budget proposal. Building repairs and minor improvements are allocated at \$913,000 which includes work such as HVAC systems repairs and upgrades, painting, parking lot repairs, furniture repair, carpet replacement, security camera installations and theater improvements. Rice noted

building repairs and maintenance projects are funded out of both the General Fund and the Capital Projects Fund. The amount requested out of the General Fund will cover close to 40 individual projects with budgets ranging from less than \$10,000 to slightly over \$100,000. The amount requested from the Capital Projects Fund for building maintenance and repair is for significant building system replacements and will be described later.

Mr. Rice continued to explain that \$128,000 is allocated for increased security for the Rainbow Library and to cover additional staff on-site hours for the RFID tagging project. Another \$235,000 is allocated for landscape improvements at the Las Vegas Library, a project that was budgeted for the current fiscal year, but postponed due to the CTX shortfall. Finally, \$128,000 is allocated to replace four of the oldest or highest mileage District vehicles. One of the automobiles in the District's twenty-five vehicle fleet is over 20 years old and one of the courier system trucks has almost 400,000 miles on it.

SPECIAL REVENUE FUNDS

Mr. James explained that the fund is set up to handle the Literacy (CALL) and other grants as well as donations to the Gift Fund and total \$2.2 million. \$1.7 million is allocated to the Grant Fund and \$500,000 to the Gift Fund.

CAPITAL PROJECTS FUND

Mr. James explained that this fund was set up to account for the acquisition, replacement and construction of major capital projects and other facilities. He expects \$44.2 million to be available for the Fund for the fiscal year, of which \$6.1 million is allocated for Integrated Library Systems, \$3.4 million for Technology Replacement and Upgrades, \$5.6 million for Building Repair and Maintenance, and \$29.1 million for Capital Construction.

Integrated Library Systems - Mr. Prendergast explained that the Strategic Plan identified technology efficiencies, including a materials handling solution such as RFID. Of the \$6.1 million currently in the fund, \$3.1 million is allocated for the fiscal year to implement RFID technology. The appropriation would pay for sorting equipment for the West Las Vegas Library, Centennial Hills and three additional branches yet to be identified, plus the tagging of the entire collection. The RFID technology will improve service quality, increase efficiency in service delivery, and deploy self-service strategies to reduce waiting time to check out materials. The remaining \$3 million will be appropriated in subsequent years.

Technology Replacement and Upgrades – Mr. Prendergast explained that the program was established five years ago to provide for the ongoing replacement and upgrade of the District's personal computers, telecommunications hardware, and other related infrastructure improvements on a five year replacement cycle. Of the \$3.4 million currently in the fund, \$600,000 will be appropriated for the fiscal year

for these purposes. The remaining \$2.8 million will be appropriated over subsequent years for the equipment replacement as described.

Building Repair and Maintenance – Mr. Rice explained that the program was established in Fiscal Year 2003-2004 and provides funding for major and emergency repairs and maintenance to the District's buildings and related infrastructure. District buildings are now between ten and twenty years old. More than half of the District's buildings were constructed at about the same time and are aging at the same rate. Therefore, Rice said, major replacement and repair of building components and systems such as carpeting, roofs, HVAC systems, parking lots, and other items will be required at about the same time. Of the \$5.6 million currently in the fund, \$1.1 million has been appropriated for use in the fiscal year for two HVAC projects at the Summerlin and Las Vegas Library and unanticipated emergency repairs. The unexpended balance of \$4.5 million will be available for future replacements and repairs.

Capital Construction Fund – Mr. Rice explained that, of the \$29.1 million currently in the fund, a total of \$17.1 million has been allocated for the fiscal year. The West Las Vegas Homework Help Center and efficiency remodel is allocated \$700,000, Centennial Hills Library is allocated \$14.1 million and \$2.3 million is allocated to design work and construction costs related to the efficiency remodels of four urban branches. The remaining \$12 million will be applied in subsequent budget years to accomplish the efficiency remodeling of six additional branches and other potential recommendations that may be implemented in future years.

DEBT SERVICE FUND

Mr. James explained that the Debt Service Fund is the only other fund with a property tax dedicated to the fund. At the current time, the tax rate is \$.0123 per \$100,000 of AV which generates approximately \$7 million per year. The fund was set up to account for property taxes that are used to pay principal and interest on bonds. The fund is currently being used to pay off the 1991 bond issue. The debt was refinanced in 2001 and 2003. There are approximately \$28.6 million in bonds outstanding at the close of the current fiscal year. All outstanding bonds will be fully paid in 2012.

The presentation on the *2007-2008 Proposed Budget* concluded.

There was no Public Comment.

Chair Davis-Hoggard moved to close the Public Hearing. There was no opposition and the Public Hearing was closed.

Discussion and possible Board action to adopt the Las Vegas-Clark County Library

Chair Davis-Hoggard and Trustees Overstreet and Costello congratulated staff, especially Mr. James and Mr. Morss, on the excellent budget presentation.

District's Proposed Budget for Fiscal year 2007-2008. (Item VII.B.)

Trustee Costello asked if the Department of Taxation has to respond to the District prior to Trustees adopting the budget and if so, have they done that. Mr. James said that once the Department of Taxation receives the *Proposed Budget*, they only need to certify the District's rates. Once they certify the rates, the Department sends a *Final Revenue Projection* which is never lower than shown in the *Proposed Budget* and is usually higher. The District expects the final rates within the next several weeks and does have until May 31 to file the *Proposed Budget* with the Department of Taxation.

Chair Davis-Hoggard moved to adopt the *Proposed Las Vegas-Clark County Library District's Fiscal Year 2007-2008 Budget* subject to any modifications as directed by Trustees and instruct staff to adjust estimated Fiscal Year 2007-2008 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, 2007 filing date. There was no opposition and the motion carried.

Discussion and possible Board action to approve contract terms for Library Services provided to the City of Las Vegas for the City of Las Vegas Misdemeanant Facility. (Item VII.C.)

Mr. Morss introduced this item. He explained to Trustees that the Library District has provided library service for the City of Las Vegas for the City of Las Vegas Misdemeanant Facility for a number of years. The Misdemeanant Facility is staffed by .43 FTEs and supervised by the Correctional Librarian, Tom Olson. Staff provides inmates with legal research as well as paperbacks for recreational reading.

The term of the contract is one year with the option of the City to renew for three additional one year terms. For the first year, 2007-2008, the fee will be \$51,344.00. Renewal fees for years 1, 2 and 3 will be adjusted to reflect the increase in the CPI Consumer Price Index or 3% whichever is greater.

Trustee Sponer asked if the District supplied the books to the inmates. Mr. Morss explained that District staff does some research for prisoners and they receive a photocopy so the District buys the research materials. Inmates are limited to two paperbacks. The District buys some and the rest come from donations from the Friends and patrons. Trustee Sponer asked about online access and Morss replied that the City provides the computers and inmates do not have access to the internet. Product is supplied by CD-ROM type programs. Inmates have very little access to the keyboard and mouse.

Trustee Sponer moved to authorize the Executive Director to execute a new contract for Library Services provided to the City of Las Vegas for the City of Las Vegas Misdemeanant Facility subject to review by Counsel. There was no opposition and the motion carried.

Discussion and possible Board action to extend contractually agreed to benefits and

Mr. Pierce introduced the item and explained that upon approval of the new collective bargaining agreements on May 7, 2007, several new or revised District policies were adopted that must be applied to all employees, not just those covered by the agreements.

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related personnel policies to non-represented employees. (Item.VII.D.)

Chair Davis-Hoggard moved to extend these contractually agreed to items to eligible employees not covered by a collective bargaining agreement. There was no opposition and 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 2007-2008. (Item VII.E.)

Chair Davis-Hoggard asked for volunteers for the Nominating Committee. Trustees Overstreet, Sponer, and Arthurholtz expressed their interest in serving on the Committee. Trustee Arthurholtz also relayed Trustee Benavidez' interest in serving on the Committee as she had left the meeting.

After discussion, Chair Davis-Hoggard named the following Trustees as members of the Nominating Committee: Trustees Sponer, Arthurholtz and Overstreet. Trustee Sponer was named Committee Chair. Members of the Committee will decide on a meeting date in June and the meeting will be noticed.

Announcements (Item VIII.)

Chair Davis-Hoggard encouraged all Trustees to put Staff Day on Friday, June 15 on their calendars.

The next Board Meeting will be held Thursday, June 14, 2007 in the Clark County Library at 6:00 p.m.

Public Comment (Item IX.)

None.

Adjournment (Item X.)

Chair Davis-Hoggard moved to adjourn the meeting at 8:04 p.m. There was no opposition and the motion carried.

Respectfully submitted,

Kelly Benavidez, Secretary