

MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES MEETING
LAS VEGAS, NEVADA
September 11, 2007
(approved October 11, 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 5:30 p.m., Tuesday, September 11, 2007.

Present:

Board:	V. Davis-Hoggard	L. Overstreet
	F. Sponer	E. Sanchez
	A. Arthurholtz	A. Aguirre
	K. Benavidez	K. Carter
	J. Costello	
Counsel:	G. Welt	
Absent:	L. Harala	
Staff:	Daniel L. Walters, Executive Director	
	Numerous Staff	
Guests:	Katherine Ong, Hobbs Ong & Associates, Inc.	
	James Chachas, Hobbs Ong & Associates, Inc.	
	Gloria Coleman, Orgill Singer & Associates	

V. Davis-Hoggard, Chair, called the meeting to order at 5:32 p.m.

Roll Call All members listed above represent a quorum. Trustee Sponer arrived during roll call. Trustee Sanchez left at 6:02 p.m. due to a family obligation.

Agenda Chair Davis-Hoggard proposed changing the Agenda so that Items VII.A-E would come after Item IV and before Item V. Trustee Arthurholtz moved to approve the Agenda as changed. There was no opposition and the motion carried.

Approval of Proposed Minutes Risk Management Committee Meeting, July 11, 2007, Board Retreat, July 12-13, 2007 and Executive Committee Meeting, August 15, 2007. Trustee Arthurholtz moved to approve the Minutes of the Risk Management Committee Meeting held July 11, 2007. There was no opposition and the motion carried.

Chair Davis-Hoggard moved to approve the Minutes of the Board Retreat held July 12-13, 2007. There was no opposition and the motion carried.

Trustee Aguirre moved to approve the Minutes of the Executive Committee Meeting held August 15, 2007. There was no opposition and the motion carried.

Chair's Report (Item IV.) Chair Davis-Hoggard encouraged all Trustees to attend the West Las Vegas Homework Help Center opening on Monday, September 17.

Chair Davis-Hoggard reviewed the Board committee assignments, noting that she would replace Trustee Benavidez as one of the District representatives on the Art Museum board and Trustee Aguirre would join the Finance and Audit Committee.

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Chair Davis-Hoggard asked Trustees to indulge her by not meeting at Sahara West Library during the winter months as that is a long distance for her to drive. There was general consensus that a change of location would not be a problem.

Consent Agenda

Trustee Overstreet moved to approve the Consent Agenda (VII.A.1-6), which consisted of the following items, in its entirety:

1. Discussion and possible Board action regarding contract awards for janitorial maintenance services.

Authorize staff to award janitorial maintenance services contracts to Best Janitorial Services of Nevada for the Enterprise, Rainbow, Sahara West, Summerlin, and West Charleston libraries as specified in RFB No. 08-03 and to authorize staff to extend the contracts in subsequent years subject to funding being available and the contractor continuing to meet performance standards outlined in the bid documents.

2. Discussion and possible Board action authorizing the Executive Director to execute a contract with Aaron Cohen Associates Ltd for architectural programming services for the development of a building program for the Compass Point Service Center.

Authorize the Executive Director to execute a contract with Aaron Cohen Associates Ltd not to exceed \$49,900.00, plus authorized reimbursable expenses incurred during three site visits, for architectural programming services for the development of a building program for the Compass Point Service Center.

Authorize the Executive Director to execute a contract with Lucchesi, Galati Architects, Inc. not to exceed \$240,670.00, plus authorized reimbursable expenses, for architectural services for efficiency remodel projects for the Sahara West, Summerlin and Whitney libraries.

Authorize the Executive Director to execute an at-will employment agreement for Frederick J. James for the position of Deputy Director, CFO effective October 12, 2007 subject to the review and approval of legal counsel.

3. Discussion and possible Board action regarding contract awards for architectural services for efficiency remodel projects for the Sahara West, Summerlin and Whitney libraries.

Authorize the purchase of workers compensation insurance through the District's Broker of Record from the Employers Insurance Company of Nevada, with the provision for three (3) additional renewals, subject to review by counsel.

Approve the proposed days of closing for calendar year 2008.

There was no opposition and the motion carried.

4. Discussion and possible Board action regarding the employment contract for Frederick J. James, Deputy Director, Chief Financial Officer (CFO).

5. Discussion and possible Board action to approve the purchase of workers compensation insurance from the Employers Insurance Company of Nevada (EICON).

**6. Discussion and possible Board action to approve the days of closing for calendar year 2008.
(Item VII.A.1-6.)**

**Discussion and possible Board action authorizing the Executive Director to negotiate a contract for consulting services with Dubberly Garcia Associates, Inc. to conduct the District's next strategic planning process and develop a Strategic Service Plan for the years 2008-2011.
(Item VII.B.)**

Deputy Director, C.O.O. Robb Morss presented the item. He reminded Trustees that, as reported at the July 12, 2007 Board Retreat, the District has met or accomplished the majority of the projects and priorities that were outlined in the *Strategic Service Plan 2005-2008*. Additionally, Morss said the District is in the midst of developing a capital planning strategy that had not been developed when the current *Plan* was adopted in 2005. Lastly, the community and its demographics have continued to evolve since the start of the current plan thus requiring reassessment. As a result of Board discussion and direction to the Executive Director at the July retreat, staff is recommending the District undergo a new strategic planning process that will cover the years 2008-2011.

Mr. Morss continued to say that funds have been allocated in the Fiscal Year 2007-2008 budget for strategic planning services and staff will be involved throughout the process to help identify the best ways to sustain the high levels of service that the community has come to expect from the District during the last seven years. In addition to six on-site visits to facilitate work with staff on the planning process, Dubberly Garcia Associates, Inc will also develop and submit the following: Capital Funding Model Alternatives and Implications, Facility Resources and Phasing Criteria, Non-Resident Use Recommendations, Economic and Demographic Setting and Trends, Financial Implications of District Services and Priorities, System Resources Utilization and Allocation in Crucial Areas and a Community Library Needs Assessment.

Mr. Morss said that the work of the staff and the consultants will result in a *Strategic Service Plan* for Fiscal Year 2008-2011 which will be presented to the Board of Trustees during the first quarter of 2008.

Trustee Costello asked that as part of the *Strategic Plan*, staff investigate mail order as a delivery option for District materials. He also would like to see if the District would be able to receive referral

fees from websites such as Amazon.com.

Chair Davis-Hoggard concurred with Trustee Costello, indicating that receiving District materials by mail order would mean so much to the District's senior population, in addition to those confined to their homes or in institutions.

Mr. Morss indicated that adding those items to the list should not be a problem.

Trustee Costello moved to authorize the Executive Director, subject to review by Counsel, to negotiate a contract for planning services with Dubberly Garcia Associates, Inc. not to exceed \$145,000 for general planning services to include facilitation of meetings with designated groups, review and analysis of data and reports, surveying, travel and production of a draft report and a final *Strategic Plan 2008-2011*. There was no opposition and the motion carried.

Discussion and possible Board action regarding staff development of a proposal to finance both a Service Center and a new branch on the Compass Point site through medium term borrowing. (Item VII.C.)

Mr. Walters said that at the Board Retreat on July 12 and 13, he indicated his intent to initiate a number of activities related to pursuing the feasibility of using medium and long term borrowing as a method for financing capital projects. Staff was further directed to present a progress report to the Board at its September meeting.

Mr. Walters reported that following the Board retreat, staff has been examining the two primary issues related to the potential development of a new Service Center and branch libraries. In addition to determining whether the District is able to finance designated capital projects, Walters said, it must be determined whether the District has sufficient staffing resources to successfully manage additional major projects while simultaneously undertaking ambitious capital and technology developments over the next two years.

Mr. Walters noted that information showing estimated timelines for the District's major projects illustrates, however preliminarily, that if the District is to pursue development of capital projects, it is clear that additional management resources are required.

Several "financial models" for various District projects have been examined with Hobbs, Ong & Associates, Inc. and its associate firm, Public Financial Management. The statutory review process for issuing medium term and long term notes was also reviewed in detail to determine the best utilization of both borrowing tools.

- Medium term borrowing can be initiated by the Board of Trustees without a lengthy approval process that would involve hearings before the Las Vegas City Council and Board of Clark County Commissioners. This form of borrowing is for a ten year term and would be pledged against future District general fund revenue. It is proposed as a financial tool for infrastructure and related projects.
- Long term borrowing requires hearings before the Las Vegas

City Council, the Board of Clark County Commissioners and the Clark County Debt Management Commission, in addition to a much more lengthy hearing process initiated by the Board of Trustees. This form of borrowing is for a twenty year term and would be pledged against a portion of the District's future CTX revenue. It is proposed as a financial tool for new branches.

In light of the significant savings that can be achieved if it is possible to combine both the Service Center and a new Compass Point Library project, Mr. Walters said he and Chief Financial Officer Fred James have focused on determining whether medium term borrowing can be used to finance a combined Compass Point Service Center and Library project. Although all estimates have not been completed to determine the final estimate total that would be required to borrow for such a project, Walters said that staff has concluded that given reasonable estimates of District future revenues, medium term financing is a viable approach for these capital projects.

Mr. Walters said final cost estimates to implement the RFID project will not be completed until October, and final construction estimates and estimates for required library materials (books, shelves and etc.) and operating expenditures for a new Compass Point library will not be completed until later in September. Once all costs and expenditures have been examined, a final model reflecting revenue projections, costs and future operating expenditures will be presented at the October meeting.

Mr. James introduced Katherine Ong and James Chachas of Hobbs, Ong & Associates, Inc. James said Ms. Ong and Mr. Chachas have been working on several financial models. They were present at the meeting to update Trustees on the financial model to finance both a Service Center and a new branch on the Compass Point site through medium term borrowing.

Mr. Chachas explained that the new financial model incorporated the prior commitments discussed at the retreat, which are the Centennial Hills Library, West Las Vegas work and efficiency remodels. The model also includes a minor modification to the property tax estimates for the next two fiscal years, showing 8% growth rather than 7% growth. According to Chachas, that figure is at least 2% less than the growth experienced in Clark County for at least the last seven years. Chachas presented two scenarios, the first being the Compass Point Service Center only, the second showing the Compass Point Service Center with a library built at the same time.

Ms. Ong explained the mechanics of medium term borrowing. Medium term borrowing involves a maximum of ten years for repayment with the security being the District's general fund revenues. She said that the District holds a public hearing and then sends the information to the Department of Taxation for approval of the bonds. The Board then approves the resolution which provides the authority to issue the debt. Once the bonds are sold, the District receives the money. Ong said the process takes approximately four months to complete. She anticipates

the process beginning in February of 2009 with the funds received in May 2009.

Counsel Welt asked what the maximum amount would be, reflected as a percentage of income or budget, that the District could use for municipal financing. Ms. Ong replied that the District is limited to 10% of its assessed valuation, which is quite large. She said it is usually a question of affordability for government entities, rather than capacity.

Trustees discussed the information provided. Trustee Benavidez expressed concern that specific area needs, including East Las Vegas, were not covered in the financial model presented at the meeting. Mr. Walters explained that as discussed with the Executive Committee at its August 15 meeting, the financial model was specific to the Compass Point projects. Trustee Aguirre asked that staff also review other service options for the East side area.

Mr. Walters outlined the separate tracks staff is working on. The first track is a financial model that proposes a way for the District to move ahead with a large project that would provide a new Service Center to consolidate the District's support departments. This would enable the District to utilize planned efficiencies to handle the additional materials and patrons that the new branches would require in addition to a new Compass Point branch on the same site.

The proposed financial model is a strategy to demonstrate that it is clearly feasible to fund a new Service Center and a new Compass Point branch without waiting for the completion and adoption of a new *Strategic Service Plan*. As discussed at the Board retreat, this action is intended to expedite the development of this large project in light of escalating construction costs. By moving ahead on the large project now, the District can save millions of dollars in future escalation costs.

Mr. Walters said the second track is staff work to create a new *Strategic Service Plan* which would detail the plan for the District to follow for the next three years, including identifying where new branches are needed most. The *Strategic Service Plan 2008-2011* will incorporate demographic research and projections from not only the Mesquite and East Las Vegas areas but other areas in the rapidly growing District, and enable Trustees to make decisions on new branch priorities.

Mr. Walters reminded Trustees that the Service Center has been a priority of the current and previous *Strategic Service Plans* and is the key to fully utilizing the efficiency measures called for in the current *Strategic Service Plan*. He also reminded Trustees that the Compass Point branch is not a new idea but has also been second only to the Centennial Hills area in terms of priority for capital development.

The report was presented as information only. No action required by the Board at this time.

Discussion and possible Board

Mr. Morss, IT Director Al Prendergast, and Sahara West Library Branch Manager, Kim Clanton Green presented a report on how the District

**action regarding
RFID
Implementation.
(Item VII.D.)**

plans to apply RFID technology and materials handling solutions and address any concerns related to privacy issues.

Ms. Clanton-Green explained that the amount of materials the District circulates has grown in ten years from 5.2 million materials circulated to 10.6 million materials circulated, with little increase in staffing and no increase in branches. The District, as outlined in the current *Strategic Service Plan*, will use RFID (Radio Frequency Identification) technology to increase the District's efficiency in handling materials. Increased efficiency in handling materials will then continue to allow staff to provide the high quality service District patrons expect. Clanton-Green explained that self-check is an example of a practice that enables District staff to focus on customer service and that patrons are comfortable with it. Currently the District's self-check rate is 34%.

Ms. Clanton-Green explained that RFID is an automatic identification method that stores and retrieves data using tags or transponders. She provided examples of RFID tags to show Trustees and showed video of current RFID and automated materials handling (AMH) systems in use. Currently there are 300 libraries around the world utilizing RFID systems. Clanton-Green also gave examples of the advantages for the District in implementing the technology such as rapid checkouts and returns, alleviating repetitive strain injuries by reducing the steps required by staff and patrons to handle books, increased theft control, and the ability to conduct a high-speed inventory without having to touch each item.

Trustee Aguirre asked about library card security. Mr. Morss explained that RFID chips will not be put into library cards at this time, but patrons are required to put in their own password to use the self-check kiosks.

Ms. Clanton-Green explained that AMH works hand in hand with the RFID technology to efficiently sort and move materials. A basic system consists of a conveyer system, a sorting system, and an RFID reading antenna. The systems can sort several thousand items an hour. Every urban branch will have an AMH machine which will automatically check in materials as they are returned and do a rough sort of returned items. The central sort will take place in the new Centennial Hills location, which was designed with space to house a larger system. The goal is to reduce the turnaround time, especially for popular materials that patrons have reserved.

Trustee Aguirre asked if it the decision to place the AMH system at Centennial Hills was due to the fact that it was easier to set it up in a new location. Mr. Walters explained that while planning the project the decision was made to plan expansion space into the Centennial Hills branch, that can be used in the short term for RFID support functions until the branch is expanded for public use. Trustee Aguirre then asked about the possibility of using centralized commercial space instead of fully built out branch expansion space. Walters said that cost issues were reviewed during the Centennial Hills planning and design phase.

At that time, the District determined it was more costly to lease the space. In the future, the District may determine it is more cost-effective to relocate the AMH site at the combined service center.

Mr. Prendergast discussed the District's plan to implement the new technology and the timeline for the implementation. At this time, staff is negotiating the contract with the selected vendor. Once Board approval is obtained, tagging, hardware installation and staff training can begin and will be completed in stages with West Las Vegas as the first branch. The rest of the urban branches will be completed in stages with the final installation complete by September 2009. The installation will coincide with the planned efficiency remodels and Centennial Hills construction.

Chair Davis-Hoggard asked how many items would be tagged. Mr. Morss said that while the last inventory of June 30, 2007, showed 2.8 million items, staff plan a massive weeding project prior and he expects approximately 2.3 – 2.5 million items to survive and be tagged.

Mr. Morss discussed the ALA guidelines for implementation of RFID technology in libraries and explained how the District plans to protect patron privacy. He emphasized that patron information will never be put on the RFID tags. The District may only include the barcode but may also include some bibliographic information to see how the material is used. The District plans to continue to inform the public of the use of the RFID technology and educate staff so they are informed and can respond to questions from the public.

Mr. Morss acknowledged the work of Ms. Clanton-Green and Adult Services Coordinator Jennifer Schember on the project as part of their participation in the Urban Libraries Council Executive Leadership Institute over the last year and a half. Their ELI sponsor was Regional Branch Services Director Felton Thomas. A round of applause was given.

Chair Davis-Hoggard said the project was really exciting and showed how the District was on the cutting edge. She thanked the staff involved for their work.

Trustee Aguirre asked if there was any research that showed any effects on pacemakers or other electronic equipment from the RFID tags and staff said they had found none.

Mr. Walters said that the interview process of the four short-listed vendors over a week involved staff at several levels. Al Prendergast, Information Technology Director, COO, and consultant Joseph Ford led a representative staff committee through a technical review based on a script developed for the RFID interviews in the morning of each interview. In the afternoon, a broader administrative review was held with members of the Executive Council. The afternoon session focused on the company's history, partnership with an automated materials company, pricing and contractual issues. Some time was also spent reviewing each company's vision for the technology and its use in public

libraries.

The final phase of the process was a meeting of the Executive Council on August 30th to evaluate the vendors. Mr. Ford used an evaluation grid based on the District's RFP as the basis for evaluating the vendors. A finalist was selected and Mr. Prendergast conducted a financial analysis of the top two finalists as well as phoned references for the same two vendors.

On September 4th, it was determined that "EnvisionWare" of Atlanta was the finalist. Mr. Prendergast will lead negotiations with General Services Director Steve Rice as well as with Mr. Ford, and staff hopes to submit a contract proposal at the Board's October meeting.

Mr. Walters acknowledged Mr. Prendergast's masterful job shepherding the project over several years of preliminary review and exploration to this final phase of rigorous review. Staff from several levels of the District participated including circulation staff, shipping staff, technical services, public services and several management and administrative staff. The selection is the culmination of a process spanning four years and the technology has changed during this period. The District is poised to implement a uniquely integrated adoption of RFID across check-out, automated return and automated sorting of materials for return to branches. Walters commended Mr. Prendergast and his RFID Team for their dedicated work and their contributions toward our implementation of this new technology formally identified in the *2005-2008 Strategic Plan*.

The RFID Committee members are, Keith Barnes, Courier; Chris Britsch, Support Services Director; Kim Clanton-Green, Sahara West Library Branch Manager; Rebecca Colbert, Sunrise Library Reference; Marie Cuglietta, Public Services Director; Jim Hayes, Regional Branch Services Director; Robb Morss, Deputy Director; Al Prendergast, IT Director; Steve Rice, General Services Director; Oscar Sanchez, Microcomputer Specialist; Jennifer Schember, Community Outreach and Adult Services Coordinator; Felton Thomas, Regional Branch Services Director; William Wirth, Whitney Library Circulation.

**Discussion and possible Board action to declare fines and fees totaling \$986,128.32 that are five years old, dating from the year 2002, as uncollectible and purge from District records.
(Item VII.E.)**

Mr. Morss introduced the item and reminded Trustees that the proposed action has been taken yearly since June 2004. Since contracting with collection agencies, Morss notes that the District has recovered over \$3,913,221 million in items and \$1,102,815 million in fines. Also in June 2004, staff recommended that each year delinquent fines and fees that are older than five years be reported to the Board for the purpose of being declared uncollectible.

There are 10,763 outstanding accounts from the year 2002, most of which total less than \$25. In the past, the District's collection agencies have advised that debts older than five years are not likely to be recoverable. Given the age of the debt and the transient nature of the District's population, it is unlikely that the District will collect a significant portion of the debt. The cost of referring the accounts to a collection agency is estimated to be greater than what they anticipate

recovering.

Mr. Morss noted that this is not a forgiveness campaign. The District has, in fact, since 2002 made several efforts to collect the fines and fees by sending several notices as well as notifying these patrons via mail during the last five years as part of the Amnesty Week program.

Of the 10,763 patrons the District is proposing to declare uncollectible, 2,492 owe less than \$25. Had these people responded during Amnesty Week they would have had their fines and fees waived. Overall, 7,887 of these patrons owe less than \$100.

For those patrons who owe more than \$300, District staff will manually block their library cards so they cannot get a new library card until they pay their outstanding charges.

Staff recommends that the Board declare fines and fees that are older than five years as uncollectible. Currently there are approximately \$986,128.32 in outstanding fines and fees that were accrued in 2001. By clearing these fines and fees the District will be able to purge these inactive patrons and delete these items from the database.

Trustee Costello asked what the national average or percentage is and Mr. Walters replied that loss runs around 2-5%. In libraries with security systems, the loss runs closer to 2%. Trustee Costello then asked about the accounting for the uncollectible items. Mr. James said the annual financial statements will reflect depreciation for the materials and writing off the uncollectible fines. At the same time the District would reverse the accumulated depreciation for the uncollectible items. The same process occurs when the District weeds books out of the collection.

Trustee Carter moved to declare all fines and fees accrued in 2002, totaling \$986,128.32 as uncollectible and authorize staff to purge from District records. There was no opposition and the motion carried.

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

Mr. Walters announced that Chair Davis-Hoggard was unanimously re-appointed to a second term on the District Board by the Clark County Supervisors in August. Chair Davis-Hoggard received a round of applause.

Mr. Walters announced that Salvador Avila, Enterprise Library Branch Manager, is the latest District graduate of the Clark County Leadership program. Nancy Hutchinson, West Las Vegas Branch Manager, will be the the next District attendee.

Mr. Walters congratulated the Human Resources Department on its training and education efforts that have reduced the District's workers compensation premium to approximately half of the previous year's cost.

Mr. Walters encouraged Trustees to attend the West Las Vegas Ribbon Cutting Ceremony on Monday, September 17, to see the first example

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of the redesign of a branch that was driven by the branch staff, led by Branch Manager Nancy Hutchinson, working with the architect. Walters also acknowledged the excellent project administration of General Services Director Steve Rice and Assistant General Services Director John Vino in bringing the project in on time, noting several challenges faced prior to completion.

Trustee Aguirre congratulated Mr. James on the approval of his new employment contract.

Chair Davis-Hoggard moved to accept Reports V.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.) Approved.

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

Unfinished Business (Item VI.) None.

Announcements (Item VIII.) The West Las Vegas Ribbon Cutting Ceremony will be held on Monday, September 17, 2007, at 10:00 a.m. The next Board Meeting will be held Thursday, October 11, 2007 in the Las Vegas Library at 6:00 p.m.

Public Comment (Item IX.) None.

Adjournment (Item X.) Chair Davis-Hoggard moved to adjourn the meeting at 7:11 p.m. There was no opposition and the motion carried.

Respectfully submitted,

Kelly Benavidez, Secretary