

MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES' MEETING
LAS VEGAS, NEVADA
May 21, 2009
(approved June 11, 2009)

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 21, 2009.

Present: Board: F. Barron, Chair
V. Davis-Hoggard A. Aguirre
R. Kirsh K. Crear
L. Carrasco M. Saunders
C. Reese

Counsel: G. Welt

Absent: K. Benavidez

Staff: Daniel L. Walters, Executive Director
Numerous Staff

Guests: Former Trustee Ken Carter
Former Trustee Elaine Sanchez
City of Las Vegas Mayor Pro-Tem Gary Reese
James Smythe, Kummer Kaempfer Bonner Renshaw & Ferrario

F. Barron, Chair, called the meeting to order at 6:00 p.m.

Roll Call (Item I.) All members listed above represent a quorum. Trustee Benavidez was not present and had an excused absence.

Chair Barron welcomed as special guests former Trustees Ken Carter and Elaine Sanchez and City of Las Vegas Mayor Pro-Tem Gary Reese, husband of new Trustee Carol Reese.

Agenda (Item II.) Chair Barron said she would like to move the Executive Session, Item III., to come after the Chair's Report, Item V. Trustee Davis-Hoggard moved to approve the Agenda as changed. There was no opposition and the motion carried.

Approval of Proposed Minutes Finance and Audit Committee Meeting, April 8, 2009, Trustee Aguirre moved to approve the Minutes of the Finance and Audit Committee Meeting held April 8, 2009. There was no opposition from Committee members and the motion carried.

Design Review Committee Meeting, April 16, 2009, and Regular Session, April 16, 2009. Trustee Aguirre moved to approve the Minutes of the Design Review Committee Meeting held April 16, 2009. There was no opposition from Committee members and the motion carried.

(Item IV.A-C.) Trustee Davis-Hoggard moved to approve the Minutes of the Board of Trustees Meeting held April 16, 2009. There was no opposition and the motion carried.

Chair's Report (Item V.) Chair Barron welcomed new Trustee Carol Reese and asked her to introduce herself. Trustee Reese has been working in the Clark County

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School District for 14 years, working 10 years as an elementary school teacher and the last 4 years as a math teacher in middle school, currently at currently at Mack Middle School. She commented that she loved libraries and was looking forward to working with the other Trustees and staff. She also said that she had been born in Paris as her father served in the service and that her grandfather had helped to build Hoover Dam.

Chair Barron then recognized former Trustees Ken Carter and Elaine Sanchez for their service. Barron noted that both had been on the Board when she was appointed and she appreciated having the opportunity to learn from them.

After presentation of a plaque noting Mr. Carter's eight years of service as a District Trustee, Chair Barron thanked Carter for his dedication, as he rarely missed meetings and usually arrived on time or early, driving from his home in Mesquite.

Mr. Carter thanked the Board and District and said that of the many public service positions he has been in over the last 18 years which have included the Mesquite City Council, Mesquite Mayor, Las Vegas Convention and Visitors' Authority (twice), Regional Flood Control District, Regional Transportation Bond Commission, the Nevada Development Authority and the Governor's Committee on Aging, he felt that the District has the finest staff and Board that he has ever worked with. He had enjoyed his association with everyone and will always remember and cherish his service on the Board. Carter was given a round of applause.

After presentation of a plaque noting Ms. Sanchez' eight years of service, Chair Barron thanked Sanchez for her service which included two years as Board Chair. Barron noted that Sanchez is the best personification of a passionate person promoting reading in libraries that she had met.

Ms. Sanchez said it had been an honor to work with the other Trustees and Executive Director Walters. She noted that there is a new future for the Board with new Trustees and Executive Director. Sanchez felt that the bottom line is if Trustees have heart and spirit things will work out. She felt that the Trustees will keep moving forward. She thanked staff for being exceptional and amazing. Sanchez was also given a round of applause.

Executive Session (Item III.)

Chair Barron advised attendees that the Executive Session would be closed and said that it would cover litigation and labor issues. Chair Barron moved to adjourn into Executive Session. There was no opposition and the motion carried. Trustees adjourned into Executive Session at 6:11 p.m.

Trustee Aguirre moved that the Regular Session be reconvened. There was no opposition and the Regular Session reconvened at 6:41 p.m.

Executive Director's Report (Item VI.A.)

Chair Barron said that due to the size of the meeting agenda, she would like to approve all of the reports, except for the General Services

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Report, Item VI.A.5, in one motion. She asked if there were any other reports Trustees would like to hear. There were no requests.

Trustee Kirsh moved to accept Reports VI.A. 1-4, 6-7. There was no opposition and the reports were accepted.

Public Services and Security Report (Item VI.A.1.)

Approved.

Business Office Report (Item VI.A.2.)

Approved.

Human Resources Report (Item VI.A.3.)

Approved.

Technology Report (Item VI.A.4.)

Approved.

General Services Report (Item VI.A.5.)

General Services Director Steve Rice reported on the status of the District's property and casualty insurance, which is scheduled for renewal on July 15, 2009. For nearly a decade, Chubb Insurance Companies provided the District's property and casualty coverage. In 2008, Travelers Insurance Company presented superior terms and conditions which saved the District considerable money (\$47,608) while providing broader coverage, and was awarded the contract. However, many insurance companies declined to quote terms and conditions last year citing Chubb's historically low price for their coverage.

At the April 2009 Board meeting, a letter from Charlie Dorsey, Senior Vice President for Wells Fargo Insurance Services of Nevada, Inc., the District's Broker of Record for property and casualty insurance, was presented to the Board proposing that in lieu of marketing the District's insurance program this year, that he approach Travelers and request a reduction in rates in exchange for a guarantee of renewing their program. Dorsey believed that this approach to the renewal would be beneficial to both the District and Travelers and would also serve to strengthen the partnership between the two entities.

Direction from the Board was for Wells Fargo Insurance Services to pursue negotiating with Travelers a rate reduction in exchange for a guarantee of renewing their program and present a status report on the negotiations to the Board at the May meeting.

Mr. Rice reported that Mr. Dorsey approached Travelers to discuss the plan and they responded that, while they would be able to adjust downward some premiums for certain items in the package, the premium for the property coverage would have to increase significantly, in the range of 8-12%. Due to that response, Mr. Rice said that Mr. Dorsey proposed that Wells Fargo go ahead and market the District's insurance program as they have done in the past. Staff

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has directed Mr. Dorsey to do so and that staff will present the results of the marketing effort with a recommendation for policy award to the Risk Management Committee at a meeting prior to the July 7 Board meeting.

Trustee Davis-Hoggard moved to accept the General Services Report, Item VI.A.5. There was no opposition and the Report was accepted.

Marketing Report (Item VI.A.6.)

Approved.

Development Report (Item VI.A.7.)

Approved.

Unfinished Business (Item VII.)

None.

Discussion and possible Board action regarding contract award and contingency budget for construction of the Southwest Library and Service Center and possible Board action regarding a protest by Core Construction Services of Nevada, Inc. (Item VIII.A.)

After Chair Barron announced the item regarding possible action regarding a contract award and contingency budget for construction of the Southwest Library and Service Center and possible Board action regarding a protest by Core Construction Services of Nevada, Inc. (Core), she commented that the District received a late submission just prior to 5:00 p.m. Wednesday. The submission had been reviewed by District staff and was available for review by Trustees.

Mr. Rice said that funds from the District's successful bond sale in March had been allocated in the Capital Projects Fund for construction of the new Southwest Library and Service Center. The new combined library and administrative support center was estimated at \$48 million to construct.

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, the National Association of Minority Contractors (NAMC) and 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 6, 2009. Fifteen (15) bids were received and review demonstrated the exceptionally competitive bid climate in the region. A summary of the bid results was provided to Trustees.

The project was bid with three (3) additive alternates for a manual truck wash, a vehicle fueling island for alternative fuels, and a photovoltaic electric generating system (solar array system). The bid included language indicating that in the event the District had sufficient funds to pay for the construction of the alternates, the lowest bid would be awarded to the contractor with the combination of the lowest sum of the low base bid plus alternates.

After a bid opening, Mr. Rice said that it is staff's practice to contact bidders regarding their bid. After the bid opening, Rice contacted Guy Martin with Martin-Harris Construction (Martin-Harris). Mr. Martin

reaffirmed that their total bid amount, based on their base bid amount plus the three additive alternates, was accurate.

After review of all bids and associated documentation by staff and legal counsel, the lowest responsive and responsible bidder based on the combination of the lowest sum of the low base bid plus alternates is Martin-Harris.

Additionally, in consideration of the Board's change order policy, staff recommended that a funding amount of 5% of the contract amount be approved for potential change orders. Mr. Rice said that, as noted in the *Policy*, the contingency budget is required for the following reasons: for changes in work required by the District, when essential design/work has been inadvertently omitted and to correct errors in plans and specifications.

Mr. Rice continued to say that project change orders will be administered by staff after review by URS, the District's construction manager and JMA, the design architect, in accordance with the *Construction/ Renovation Project Change Order Approval Policy and Procedure*.

Core, the second lowest responsive and responsible bidder based on the combination of the lowest sum of the low base bid plus alternates filed a formal bid protest relating to staff's recommendation for contract award to Martin-Harris. A copy of Core's protest and Martin-Harris's response were provided to Trustees.

Additionally, on Wednesday, just before 5:00 p.m., an additional document from Core was sent by fax which Mr. Rice received upon his return to the office at approximately 6:00 p.m. Rice deferred to Counsel to advise the Board regarding that transmittal.

Counsel Welt reiterated that all documents relating to the bid and bid protest have been reviewed by District staff, himself and special counsel retained by the District for that purpose. Welt introduced James Smythe, from Kummer Kaempfer Bonner Renshaw & Ferrario, to explain the District's position on the bid and bid protest, based upon review of the documents.

Mr. Smythe summarized the situation by saying that Martin-Harris submitted its lowest responsive, responsible and best bid. Martin-Harris affirmed its bid, as stated by Mr. Rice, and did not seek any waiver of its bid. Smythe said the District is assured of Martin-Harris' performance, based upon that affirmation. There is a slight difference of less than 3% between the total amount of the Martin-Harris and Core bids. There is no competitive advantage to Martin-Harris and therefore any informality, irregularity or variance is immaterial and can be waived by the District. Mr. Smythe continued to say that any informality, irregularity or variance is an insufficient basis, in his legal opinion, to reject the Martin-Harris bid.

Trustee Reese disclosed that she may have a relative who works for Martin-Harris but that she does not believe it will affect her judgment.

Chair Barron moved to reject the bid protest filed by Core Construction relating to the proposed contract award to Martin-Harris Construction

and to authorize staff to award a contract for construction of the Southwest Library and Service Center, in accordance with Bid No. 09-17, to Martin-Harris Construction for the amount of \$32,340,803.00. There was no opposition and the motion carried.

Trustee Aguirre moved to approve a contingency budget of \$1,617,000.00 for potential change orders. There was no opposition and the motion carried.

Executive Director Walters asked Trustees to put the Groundbreaking Ceremony for the Southwest Library and Service Center on their calendars for Friday, June 12 at 9:00 a.m. The date is consistent with the schedule District staff developed some months ago pending the anticipated Board action at the meeting.

**Public Hearing on
the Las Vegas-Clark
County Library
District's Proposed
Budget for Fiscal
Year 2009-2010.
(Item VIII.B.)**

Trustee Davis-Hoggard moved to convene the Public Hearing regarding the Las Vegas-Clark County Library District's *Proposed Budget* for Fiscal Year 2009-2010. There was no opposition and the motion carried. The Public Hearing was opened at 6:56 p.m.

Deputy Director, CFO Fred James said he would be joined in presenting the proposed FY 2009-2010 Budget by Deputy Director Robb Morss, Collection Development Director Jan Passo, Mr. Rice and IT Director Al Prendergast.

Mr. James said that the FY 2009-2010 Budget strategy was to sustain quality services and collections in a challenging economic environment. James noted the changes that have taken place since he presented the FY 2009-2010 Tentative Budget to the Finance and Audit Committee in April. The tax rate for the General Fund was increased due to an error in the District's revenue calculation by Clark County, the ending fund balance was increased to \$3.9 million or 6.7% of total expenditures, transfers from the General Fund to the Capital Projects Fund were increased from \$3 million to \$5 million, transfers from the General Fund to the Debt Service Fund were increased from \$3.8 million to \$6.3 million and the tax rate for the Debt Service Fund was increased to .0010. Due to these changes, James anticipates a budget augmentation in January, 2010.

The largest part of the District's funding comes from two types of taxes, property tax revenues (PTX) and consolidated sales tax revenues (CTX). PTX revenues are based upon the assessed valuation (AV) of property, which comes to \$69.7 million, a 19% decrease over FY 2008-2009 and the first time a decrease has occurred in the District's PTX revenues. The proposed tax rate is only a one-half penny more than in FY 2008-2009.

Mr. James then discussed the District's property tax bill. There are two tax rates for the District, which go into General Fund and the Debt Service Fund. The total tax rate is \$.0909 per \$100 AV and comes to about \$31.82 yearly or \$2.65 monthly which comes out to \$28.32 yearly (\$2.36 monthly) for the General Fund and \$3.50 yearly (\$.29 monthly) for the Debt Service Fund. There is no change from the previous year.

Mr. James went into detail about where the money comes from. The total revenue for All Funds for FY 2009-2010 comes to \$80,007,159 of which PTX revenues come to 73% or \$58.3 million, CTX revenues come to 20% or \$16 million, Intergovernmental Revenues come to 2% or \$1.6 million, Investment Income comes to 2% or \$1.4 million, Fines and Forfeits/Fees comes to 2% or \$2 million and Charges for Services comes to 1% or \$0.7 million.

Mr. James then discussed CTX revenues which are a combination of City/County Relief (sales) and miscellaneous taxes distributed to most Clark County municipalities according to a state formula. The CTX revenues for FY 2009-2010 are estimated to come in at \$16 million, a decrease of 6% and are projected to account for 22% of General Fund revenues, lower than last fiscal year. CTX revenues are the most volatile part of the District's revenue and have been dropping over the last three years.

Mr. James gave an overall picture of the proposed District expenditures for Fiscal Year 2009-2010 over all the funds. The projected expenditures total \$101,887,978 with 58%, or \$59.3 million, going to the General Fund, which is the District's operating fund. The Capital Projects Fund will consume 31% of the expenditures or \$31.8 million. Expenses in the Special Revenue Funds are expected to run approximately 2% of expenditures of \$2.2 million and the Debt Service Fund is expected to run 9% or \$8.7 million of the expenditures.

Mr. James said staff proposes to transfer \$11.3 million from the General Fund to the Capital Projects Fund and Debt Service Fund. The transfer to the Capital Projects Fund is expected to total \$5 million and will go to the Integrated Library Systems Replacement Program (\$1.5 million), the Technology Replacements and Upgrades Program (\$0.5 million), the Building Repair and Maintenance Program (\$1 million) and the Capital Construction Program (\$2 million). The transfer to the Debt Service Fund is expected to total \$6.3 million and will be used to pay down bond debt.

GENERAL FUND

Mr. James then discussed the programs in the General Fund, which is the operating fund of the District and used to account for all financial resources except for those required to be accounted for in another fund. General Fund revenues total \$70,806,692 and 96% come from taxes with PTX totaling 74% or \$52.2 million, CTX totaling 22% or \$16 million and other revenues such as charges for services, fines and forfeits and miscellaneous revenue and investment income totaling 4% or \$2.6 million. Total General Fund revenues increased by 5.7% or \$3.8 million.

General Fund expenditures total \$59,247,380 and are broken down by function as follows: Public Services expenditures total 72% or \$42.6 million, General Services expenditures total 13% or \$7.8 million, Administration expenditures total 9% or \$5.3 million and Information Technology expenditures total 6% or \$3.5 million.

Mr. James then broke down General Fund expenditures by activity. Salaries and benefits are the largest expenditure category and total 57% or \$34 million. James noted that this expenditure allows the District to keep all urban branches open 7 days a week for a total of 72 hours. He also noted that, as with any service organization, personnel costs are a significant part of the total operating budget of the District. James also noted that the District's personnel costs, as a percentage, are lower than other local government entities. Staff has worked hard at controlling growth in staffing levels as an important key to the long-term maintenance of library services.

Library materials are the second highest expenditure activity and come in at 20% or \$11.9 million which continues the established support of 20% of the General Fund for materials. Mr. James said that investing in the collection attracted new library patrons and increased circulation. Other services and supplies consume 13% or \$7.6 million. Utilities, security and maintenance contracts consume 9% or \$5.1 million and capital expenditures take up 1% or \$620,000.

Mr. James explained the General Fund budget includes an ending fund balance of \$3.9 million or 6.7% of 2009-2010 expenditures. The ending fund balance is necessary to provide liquidity for cash outflows as revenues are received mainly from September through March and will act as a cushion during economic downturns. He noted that reserves in the Capital Projects Fund can be used to augment cash flow in the General Fund, if necessary. Any excess ending fund balance above 8% may be used for capital improvements or to cover revenue shortfall in future years.

Mr. Morss discussed the proposed Public Services funding. Public Services includes Support Services, Collection Development, Branch Services, Community Outreach, Contract Libraries, Literacy programs and the Virtual Library. Morss said that funding requests were approved on an as-needed basis with an overall philosophy of maintaining a neutral budget. Staffing increases were limited to a Volunteer Coordinator whose costs will be covered by the Las Vegas-Clark County Library District Foundation, Inc. He said that even though statistics show that circulation, gate count and program attendance are all up, they will be able to make do with the current staffing levels. Morss concluded by saying that non-recurring costs included requests for equipment and furnishings such as furniture for the relocated Meadows Library, various improvements for the Sunrise Library including carpet, shelving and furniture, and theater upgrades and replacements at the Summerlin, Rainbow, West Charleston and West Las Vegas Libraries.

Ms. Passo discussed the proposed materials budget. Library District materials are considered to be one collection which is physically and electronically distributed among its branches. Passo noted that the materials budget is allocated to support achieving the *Strategic Plan* goals. Allocated at 20% of the General Fund, it reflects an increase of approximately 2.6% over the previous year.

The *Plan* goals include providing the community with high interest materials for recreational and informational needs, collections to

support lifelong learning, support of homework help for students, and collections to support early literacy. She said that the *Plan* calls for specific increases in material circulation for these areas, as well as growth in use of electronic resources and eMedia. Attention will be paid to both adult and youth collections as staff seek materials that support personal and professional growth for lifelong learning needs and to address leisure time needs of the community.

Ms. Passo said the Collection Development Department strived to improve collection performance by providing materials most often sought by patrons, quickly and efficiently, but also strived to provide balance and diversity in content by purchasing materials in a variety of topics, formats and languages. The proposed materials allocation for FY 2009-2010 will be 26% to adult print selections, 21% to adult audio visual, 19% to juvenile print selections, 14% to electronic resources, 6% to juvenile audio visual, 5% in international languages selections and 3% to periodicals.

Mr. Rice discussed the proposed General Services budget. He said that the request included \$588,000 for building repairs and minor improvements which include work in the general categories of HVAC system repairs and upgrades, exterior painting, parking lot repairs, furniture repair and reupholstering, security camera installation and interior improvements for the Sunrise Library. He noted that in light of the current economy, the FY 2009-2010 proposed General Services budget is 34% lower than last fiscal year.

Mr. James concluded the discussion on the proposed General Fund budget by reminding Trustees that the General Fund is the operating fund of the District. He noted that staff work very hard to keep those operating expenses flat, so that the District could take advantage of the growth in previous years in PTX and CTX revenues which enabled the District to transfer funds, beginning in 2002, to the Capital Projects Fund for use in long-term projects. James also added that exempt management staff will not receive cost-of-living increase in FY 2009-2010 due to the economic downturn and pressures on General Fund revenues.

CAPITAL PROJECTS FUND

Mr. James explained that the Capital Projects Fund accounts for the acquisition, replacement or construction of major capital projects and facilities. The Capital Projects Fund had been funded solely from transfers from the General Fund until 2009 when the District's bond sale added \$50 million so that the Capital Projects Fund now has \$73.4 million in available resources. Of that amount, \$1.7 million is allocated to the Integrated Library Systems program, \$3.9 million is allocated to the Technology Replacement and Upgrades program, \$6.7 million is allocated to the Building Repair and Maintenance program, \$60 million (which includes the bond sale proceeds) is allocated to the Capital Construction program and \$1.1 million is allocated to the Fund's newest program, the Library Materials program.

Mr. Prendergast noted that the *2005-2008 Strategic Plan* identified technology efficiencies, including a materials handling solution such as

RFID. Of the approximately \$1.7 million currently in the Integrated Library Systems program, \$1.5 million will be appropriated for FY 2009-2010. The appropriation would pay for the automated materials handling solution for the Clark County, Sahara West, West Charleston and Whitney Libraries. The RFID technology will be able to improve service quality by increasing efficiencies in service delivery and by deploying self-service strategies to reduce waiting time to check out materials. The amount remaining in the fund will be appropriated over subsequent years. Additional transfers will be required for the completion of the new Southwest Library and Service Center.

Mr. Prendergast said that the Technology Replacement and Upgrades program was established in 2002 to provide for the ongoing replacement and upgrade of the District's personal computers, telecommunications hardware and other related infrastructure improvements. Of the \$3.9 million currently in the program, \$669,000 will be appropriated for FY 2009-2010 for these purposes which will include replacement of over 200 personal computers, 20 file servers and an upgrade of the District's phone system. The remaining \$3.2 million will be appropriated over subsequent years to fund recurring replacement of all the District's computers every five years, for future network upgrades and for future telephone system upgrades.

Mr. Rice explained that the Building Repair and Maintenance program was established in FY 2003-2004 and provides funding for major and emergency repairs and maintenance to the District's buildings and related infrastructure. The District's buildings are now between 10 and 20 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, major replacement and repair of building components and systems such as carpeting, roofs, HVAC systems, parking lots, etc. will be required at about the same time. Of the \$6.7 million in available resources, a total of \$1.5 million has been appropriated for use in FY 2009-2010 to cover the replacement of the Laughlin Library HVAC Chiller Tower (\$475,000), replacement of the West Charleston Library roof (\$275,000), replacement of the Whitney Library roof (\$172,000), replacement of the Las Vegas Library fire alarm system (\$175,000) and for unanticipated emergency repairs (\$400,000). The unexpended balance of \$5.2 million will be available for future replacements and repairs.

Mr. Rice then discussed the Capital Construction program which has \$60 million in available resources and a total of \$28.1 million has been appropriated for use in FY 2009-2010 to be used on the Southwest Library and Service Center construction (\$26.6 million) and for four urban library efficiency remodels (\$1.5 million). The remaining balance of \$31.9 million is to be applied in subsequent budget years to complete construction of the Southwest Library and Service Center, Rice anticipated that Mr. James would bring a budget augmentation to the Trustees later in FY 2009-2010 as costs can be adjusted down due to the lower construction costs on the Southwest Library and Service Center.

Mr. James said that the Library Materials program is new as it is being established in FY 2009-2010 and no allocation is planned for FY 2009-2010. The program amount of \$1.1 million will be allocated to subsequent budget years for the opening day collection for the Southwest Library and Service Center.

SPECIAL REVENUE FUNDS

The Special Revenue Funds account for the proceeds of specific revenue sources and are projected to total \$2.2 million in the FY 2009-2010 budget. The District's Special Revenue Funds are the Grant Fund and the Gift Fund. The Grant Fund is used to account for the proceeds of Literacy (CALL) and other grants (\$1.6 million) while donations to the District are accounted for in the Gift Fund and are estimated to run approximately \$600,000 for the FY 2009-2010. Mr. James added that staff budget higher than the expected amounts to be received in these funds so that the District has the ability to spend money when it comes in, without needing to wait for Board approval to augment the approved budget. In the past, James said, staff has been usually very accurate in their estimates.

DEBT SERVICE FUND

Mr. James explained that the Debt Service Fund accounts for the accumulation of resources for, and the payment of, general obligation bonds. The allocation for FY 2009-2010 is \$8.7 million which accounts for property taxes that are restricted for the payment of principal and interest on the bonds (\$7 million). James noted that \$25 million in bonds will be outstanding at the close of FY 2008-2009 and all voter-approved bonds will be fully paid in 2012. The 10 year medium term bonds are payable from the General Fund and will run approximately \$1.6 million for the FY 2009-2010. He also noted that at the end the fiscal year, the District is required to have enough money to pay the bond payments due in the next fiscal year. James explained how the District planned to pay each type of bond using transfers from the General Fund.

Trustee Aguirre asked for clarification about the difference between the types of repairs paid for out of the General Fund and those in the Capital Projects Fund and whether the proposed budget allocation would be adjusted due to the lower than anticipated bids received for the Southwest Library and Service Center.

Trustee Davis-Hoggard asked whether the District would be able to receive any of the federal stimulus money or any of the increase in the CTX contemplated by the Legislature.

Trustee Kirsh asked about the cost of the opening day collection at Centennial Hills and whether the opening day collection at the Southwest Library would be made up of all new materials or items from other District libraries.

Trustee Crear thanked staff for the very thorough job they did of presenting the budget information.

Trustee Saunders asked about the budget areas most affected by the economy, the particular areas trimmed in the District's budget and for

clarification on how the difference would be made up between the approximately \$80 million in revenue the District expected to receive versus the approximately \$102 million in expenditures. He also commended staff on an excellent presentation.

There was no public testimony.

Trustee Aguirre moved to close the Public Hearing on the *Proposed Budget*. There was no opposition and the motion carried. The Public Hearing was closed at 7:40 p.m.

Discussion and possible Board action to adopt the Las Vegas-Clark County Library District's Proposed Budget for Fiscal Year 2009-2010. (Item VIII.C.)

Trustee Davis-Hoggard moved to adopt the Proposed Las Vegas-Clark County Library District's FY 2009-2010 Budget subject to any modifications as directed by Trustees and instruct staff to adjust estimated Fiscal Year 2009-2010 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, 2009, filing date.

Trustee Aguirre asked if the budget adjustments Mr. James and others mentioned in the *Proposed Budget* presentation were a part of the motion. Mr. Walters said that it is not necessary at the current time, though Trustees are not precluded from amending the motion on the floor. The direction would be for the new Executive Director to bring forward a budget augmentation once staff has determined a material change in the revenue resources that affect the approved budget exist, such as when the Board took \$7 million out of the FY 2008-2009 budget earlier this year.

There was no opposition and the motion carried.

Discussion and possible Board action to adopt the Technology Plan July 1, 2009-June 30, 2012 for Las Vegas Clark County Library District. (Item VIII.D.)

Development Director Danielle Milam and Mr. Prendergast presented the proposed *Technology Plan July 1, 2009-June 30, 2012 for Las Vegas Clark County Library District*. Ms. Milam explained that the *Technology Plan* for the Library District served as the principle guide for the development of the District's technology infrastructure. The *Technology Plan* aligns with the Board-adopted *Strategic Service Plan* approved last August.

Further, to be eligible for federal funding opportunities, such as the State Library LSTA grant program, federal e-Rate communication subsidies, and federal grants from the Institute for Museum and Library Services, the District is required to have a technology plan that is approved by both the District Board of Trustees and the State Library.

As the current *Plan* expires at the end of June, the District contracted with consultant Joseph Ford and Associates in January to conduct a review of the status of current technology projects being implemented in the District and to create an inventory of projects with budget estimates for technology projects projected to come on line between July 2009 and June 2012.

The *Technology Plan* is submitted for Board review and approval to meet three objectives: to keep the District eligible for federally-funded grant and e-Rate programs, provide the District Board with an overview of current and potential priority projects, while also

maintaining flexibility for the new Executive Director and Board to shift priorities should circumstances dictate, as well as to provide the District Development Office with projects and budgets that can be pursued from funding sources outside the District tax revenues, including immediate opportunities under the federal Reinvestment and Recovery Act, as well as grants from foundations and private philanthropic sources.

Consultant Joe Ford noted in the report that the technology projects now being implemented by the District to enhance customer convenience and District operational efficiencies, are "at the forefront of public libraries in this country."

Ms. Milam noted that technology improvements to date have enabled the District to double circulation, triple the number of on-line customer service transactions and greatly enhance public access to both public computers and free public Wi-fi.

Ms. Milam continued to say that improvements planned for the next three years would complete systems for automated materials handling and self-service, expand the District's capacity for digital production, and bring on new web and virtual collection tools that are key infrastructure for delivery of library services in the 21st Century.

Ms. Milam said she had had the pleasure of guiding the development of the proposed *Plan* with the input of staff from across the District as noted in the report, but especially acknowledged the architects and builders of the projects in the process which included Mr. Walters, Mr. Prendergast, Mr. Morss, and all the IT and Public Services staff across the District who are working very hard to trouble shoot and implement cutting edge technology projects designed to empower the District's patrons and keep the District's operational costs contained. Staff recommended adoption of the *Plan*.

Trustee Saunders commended the excellent work done by Mr. Ford and staff and said he was excited about the proposed items in the *Plan* and looked forward to seeing it made reality.

Trustees Reese, Saunders and Aguirre asked about the support for staff and users of the new technology, the fact that so many pieces of the *Plan* depended on the previous item working out, the effects of changing systems, the large numbers involved in implementing the *Plan*, were there any areas in the *Plan* with which Mr. Prendergast had concerns and whether he felt that his budget would enable him to keep the District on the leading edge in dealing with future technology needs for District patrons.

Mr. Prendergast explained that his staff conducted thorough testing prior to implementing new systems and would not deploy if they are not satisfied. He noted that the *Plan* dealt not only with immediate technology issues such as performance problems but also with issues that were further down the road. Many of the items in the *Plan* had been planned and budgeted to occur over several years. Prendergast and his staff also put a great deal of thought into examining how new technology, such as Web 2.0, can be incorporated into the District in a way that assists staff and patrons. He also said that staffing, while

tight, is still keeping up with the projects and trouble tickets are usually closed within a day.

Mr. Walters added that there have been complaints expressed about filling positions and the District is not alone in dealing with the issue in these troubled times. He noted that there are things the District would like to do, but cannot because of financial constraints. He applauded the work of Mr. Prendergast and his staff in their response to trouble tickets at every branch and encouraged new Trustees to take time to take a back of the house tour so that they can become familiar with the District's current systems and future plans. Walters also noted he had worked with incoming Executive Director Jeanne Goodrich on national technology committees together and knows that she is committed to the District's investment in technology to serve the District's patrons.

Trustee Saunders moved to adopt the *Technology Plan July 1, 2009 – June 30, 2012 for Las Vegas-Clark County Library District* and to direct the Executive Director to transmit the *Plan* to the Nevada State Library. 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 2009-2010. (Item VIII.E.)

Chair Barron asked for Trustees to serve on the Nominating Committee to recommend Board officers for Fiscal Year 2009-2010. Trustees Aguirre, Crear and Kirsh agreed to serve on the Nominating Committee. Chair Barron named Trustee Aguirre Chair of the Committee.

Announcements (Item IX.)

The next Board Meeting will be held Thursday, June 11, 2009, in the Clark County Library, 1401 E. Flamingo Road, Las Vegas, Nevada 89119.

The Southwest Library and Service Center Groundbreaking will be held on Friday, June 12 at 9:00 a.m. Invitations were handed out.

Staff Day will be held on Friday, June 19, 2009 at the Texas Station Hotel and Casino. Chair Barron encouraged Trustees to attend and Mr. Walters added that new Executive Director Jeanne Goodrich will be doing a presentation at the event.

The July Board Meeting has been rescheduled to Tuesday, July 7, 2009 in the Las Vegas Library, 833 Las Vegas Boulevard N., Las Vegas, NV 89119.

Public Comment (Item X.)

There were four individuals signed up for Public Comment. Chair Barron reminded speakers that each had three minutes to speak.

Frank M. Flansburg III, 10001 Park Run Drive, #8

Of Marquis & Aurbach, representing Martin-Harris Construction. Mr. Flansburg thanked the Trustees, legal counsel and special counsel as well as Core Construction and counsel for Core Construction for their

handling of the bid protest and the award of the bid. He appreciated the professionalism and the manner in which the protest was handled. Also, on behalf of Guy Martin and Martin-Harris Construction, Flansburg thanked the Board for the contract award to build the Southwest Library and Service Center to Martin-Harris Construction. They are looking forward to getting started. If the Board had any questions following the remarks by Mr. Rob Martin, Mr. Flansburg would be happy to answer.

Rob Martin, 3191 E. Warm Springs, #8

Of Martin and Allison along with Gary Siroky, President of Core Construction. Mr. Martin stated that he knew the Board had made its decision, but that Core Construction had requested that the item be heard before the Board made its decision on awarding the construction contract for the Southwest Library and Service Center. The only thing he wanted to stress was that Core really enjoys working with public agencies and the Board and believed that they are the low, responsible bidder. Martin said that Core Construction will probably be going to court on the issue and the reason is simple. The bid documents in this situation required that there be four hard bid items and each of those must be responsive and responsible.

Mr. Martin said like every one of the 15 bidders, Core had to present 4 bids, each of which had to be responsive and responsible. This is required by the law that each Trustee is required to follow. Core was the low bidder on the base bid and Core was the low bidder through Alternates 1 and 2. The only thing left was the new solar system, Alternate 3.

Martin continued to say that it so happened that every bidder used the same subcontractor, a subsidiary of Bombard Electric. Bombard gave everybody bids in the range of \$860,000 for the solar system. As a responsive and responsible bidder, Core took that number and bid approximately that amount, as Mr. Martin believed all 15 other bidders did or should have done. He believed that there was an error on the Martin-Harris bid as the Martin-Harris bid was not \$825,000 or \$725,000 or \$625,000. The bottom line was that they blew the bid and Martin said that the law says if there is a significant error it is no longer within the Board's discretion to award, it must be rejected as a matter of law.

Mr. Martin said that is why Core wanted Trustees to carefully look at their bid protest filed last week and look at the supplement Core sent to the District on Wednesday, which is a response to the supplement given to the District on Monday by Martin-Harris. The point, according to Martin, is that among other things, every Board has to ensure that every bid must be responsible and responsive. He gave, as an example, that every public body is tasked to make sure that prevailing wages are paid on each job and with a bid of \$25,000 on Alternate 3, Martin-Harris cannot pay prevailing wages on that item. He said that it cannot be a specific item and it must be a line item that must be a hard bid. All four items are hard bid items and if any one fails, the bid must be rejected. Martin said that is why Core, in this case, filed the bid protest and that is why Core believed it is the lowest responsible

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bidder. Martin knows the Board has made its decision but he wanted Trustees to understand why Core felt obligated to move forward. He thanked Trustees once time was called.

Guy Martin waived his time.

Michael Crowe did not respond when his name was called.

**Adjournment
(Item XI.)**

Chair Barron adjourned the meeting at 8:13 p.m.

Respectfully submitted,

M. Frances Barron, Chair

APPENDIX A
May 21, 2009 Regular Board Meeting

		2009																					
		January 8 Board Mtg			February 12 Board Mtg			February 26 & 28 Special Board Mtg			March 12 Board Mtg												
		April 8 Finance & Audit Cmte			April 16 Design Review Cmte			April 16 Board Mtg			May 21 Board Mtg												
		P	P	P	P	P	P	P	P	P	P	P	P										
Aguirre	Aldo	P	P	P	P	P	P	P	P	P	P	P	P										
Barron	M. Frances	P	P	P	P	P	P	P	P	A-E	P	P	P										
Arthurholtz*	Andrea	P	P	P	P	P	P	P	P	P	P	P	X										
Benavidez	Kelly	P	P	P	P	P	P	P	P	P	P	P	A-E										
Carter**	Ken	P	P	P	P	P	P	P	X	X	X	X											
Crear	Keiba	P	P	P	P	P	P	P	P	P	P	P											
Davis-Hoggard	Verlia	P	P	P	P	P	P	P	P	P	P	P											
Kirsh	Ron	P	P	P	P	P	P	P		P	P	P											
Sanchez***	Elaine	P	P	P	P	P	P	A-E	X	X	X	X											
Carrasco****	Liz	X	X	X	X	X	X	X	X		P	P											
Saunders*****	Michael	X	X	X	X	X	X	X	X		P	P											
Reese*****	Carol	X	X	X	X	X	X	X	X		X	X											

*Term expired 4/18/09 attended Committee meeting but not a member

**Term expired 2/28/09, replacement appointed April 7, 2009

***Term expired 2/28/09, replacement appointed April 7, 2009

****Appointed April 7, 2009, sworn in April 16, 2009

*****Appointed April 7, 2009, sworn in April 16, 2009

*****Appointed April 15, 2009 for term beginning April 18, 2009