

MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES' MEETING
LAS VEGAS, NEVADA
April 12, 2012
(approved May 17, 2012)

The Board of Trustees of the Las Vegas-Clark County Library District met in regular session in the Clark County Library, Las Vegas, Nevada, at 6:00 p.m., Thursday, April 12, 2012.

Present:	Board:	K. Benavidez, Chair K. Crear R. Ence Y. Yturralde S. Moulton	R. Kirsh M. Saunders C. Reese S. Bilbray-Axelrod R. Wadley-Munier
	Counsel:	G. Welt	
	Absent:	None	
	Staff:	Jeanne Goodrich, Executive Director Numerous Staff	
	Guests:		

K. Benavidez, Chair, called the meeting to order at 6:00 p.m.

Roll Call and Pledge of Allegiance (Item I.) All members listed above represent a quorum. Appendix A. Trustee Bilbray-Axelrod led attendees in the Pledge of Allegiance.

Public Comment (Item II.)

**Agenda
(Item III.)** Trustee Saunders moved to approve the Agenda as proposed. There was no opposition and the motion carried.

**Clark County Library
branch presentation
by Branch Manager
Jill Baxter.
(Item IV.)**

Chair Benavidez introduced Clark County Branch Manager Jill Baxter, who thanked Trustees, staff and guests for coming to the library. Ms. Baxter explained that the Clark County Library serves a population of 142,727 people and is the fifth most populated service area in the District. Last year the branch checked out 1,441,779 items. The

The *CommunityConnect* report for the branch lists 21 segments in the branch's service area. This includes the UNLV community, performers and workers on the Strip, residents of condominiums, the Las Vegas Country Club homes, townhome developments, apartment homes, and single family homes. Included in this mix are adults and children from all walks of life. There are numerous ethnic groups who speak 27 distinct languages. During the winter the branch welcomes a large influx of snowbirds and there are many tourists who use the branch resources year round.

Ms. Baxter said that the branch's three largest segments consist of:

Inner City Tenants with a population of 43,772. This population group is generally young, single, living in racially and ethnically diverse neighborhoods. They might be in college working part or full time to

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fund education. Members of this segment may hold professional positions or may work in food service or the hotel industry with often limited computer access. For entertainment, this group enjoys movies, sporting events and clubbing.

Old and Newcomers is the second largest segment with a population of 16,508. This group is usually either starting or ending their careers. They are renting or living in transitional housing, and are ethnically diverse. Members of this segment are likely college educated with an unencumbered lifestyle (no children, no house). They invest in insurance and have a high level of readership, enjoying fiction, non-fiction, magazines and newspapers. They enjoy movies (either to check out or rent) and television.

Main Street USA has a population of 14,965. These people are usually in their mid to late 30s, married with or without children, single parents and singles. They are usually doing fine financially but not wealthy. They like traveling in the U.S. and may volunteer as time permits. They enjoy bowling, renting movies, and home exercise, as well as Internet shopping. They may use the library computers or take advantage of the library's WiFi.

The Clark County Library serves its community in a variety of different ways:

The Reference/Periodicals area houses a significant collection that includes 566 magazines, 109 newspapers and 173 titles that are either published in a foreign language or originate outside the United States. These collections are heavily used. The branch partners with the Service Corps of Retired Executives (S.C.O.R.E.) to supply a conference space for members to consult with and advise potential entrepreneurs, helping them with their challenges on an individual appointment basis.

The branch's Computer Center staff deals with the compelling and ever increasing demand for access to the 27 two-hour computers (available by reservation) in the space plus the ACE computer which accommodates the needs of the differently abled. As a complement to the computer service there are 10 one-hour walk up machines located in the Reference/Periodicals area. All machines are used the entire time the library is open. The Clark County Library accommodates around 2,000 more patron sessions per month than any other branch in the District. The significant number demonstrates the community's demand for the service.

Clark County is home to the Southern Nevada Non-Profit Information Center (SoNNPIC), the only Cooperating Collection in Southern Nevada. Under the auspices of the Foundation Center in New York, the collection is directed toward 501(c)(3) organizations and those interested in obtaining 501(c)(3) status. Trained staff offer monthly classes on fundraising, research, and grant writing for non-profits throughout the year. There is also a monthly free brown bag lunch and round table discussion facilitated by library staff. This whole enterprise has become increasingly popular as the economy has declined.

The Literacy Program (CALL) has a significant presence at the Clark County Library with full ESL classes. This is in addition to citizenship

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classes, GED classes, adult literacy instruction and a separate computer lab.

The branch's Young People's Library averages about 2,000 in program attendance per month and achieved the third highest program attendance in the District during the last fiscal year. The most popular programs are the early literacy story times and special weekend in-house events for families geared to ages 0-18. One of the major strengths of this department is its outreach efforts which include monthly visits to various community preschools, middle school book talks, and visits to elementary schools. In the branch area there are nine public elementary schools, three middle schools, one high school and various private schools. Outreach also includes visits to daycare centers, twice weekly visits to two different Boys & Girls Clubs, and monthly visits to community centers.

The Clark County Library Scheduling and Productions Services (SPS) department is the busiest in the district. The branch conference rooms and theaters are often in use and staff excels in presenting events to educate the community as well as celebrating the arts. The branch has partnered with organizations such as UNLV's Jazz Studies Department, the Nevada Chamber Symphony, the Las Vegas Highland Dance Association, S.C.O.R.E, Consumer Credit Counseling Services, Nevada Conservatory Theater/UNLV, and UNR's Cooperative Extension. Upcoming partnerships include those with Senator Reid's office and the Las Vegas Brass Band. Staff is heavily involved with the Vegas Valley Book Festival and the branch hosted the Vegas Valley Comic Book Festival, which last year drew over 2,000 attendees.

Ms. Baxter concluded her presentation by thanking Trustees and offering to answer any questions.

Trustee Bilbray-Axelrod thanked Ms. Baxter for her presentation and asked that information about SoNNPIC's work and classes be provided to the Trustees.

**Approval of
Proposed Minutes
Regular Session,
March 8, 2012 and
Finance and Audit
Committee Meeting,
March 29, 2012.
(Item V.A-B.)**

Trustee Wadley-Munier moved to approve the Minutes of the Board of Trustees Meeting held March 8, 2012 and the Minutes of the Finance and Audit Committee Meeting held March 29, 2012. There was no opposition and the motion carried.

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

Chair Benavidez asked Trustees Wadley-Munier and Yturralde to share their experiences at the 2012 Public Library (PLA) Conference which took place March 13-17 in Philadelphia.

Trustee Wadley-Munier said attending the meeting was very exciting and challenging. She attended quite a few workshops including:

- Advocacy is #1 in Times of Shrinking Fund
- Now What? 12 Steps to Thriving in a Different World
- Isn't it All Just Improv Anyway

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- Building Your Base (and Your Budget)
- Dancing w/Elephants: Leading Not Following During Tough Times
- With Friends Like These (partnerships)
- Losing My Religion: Crafting Meeting Room Policies that Keep You in Charge and Out of Court
- Grassroots Library Advocacy

Trustee Wadley-Munier also said that she networked with colleagues from other states and said that seeing the many exhibitors was very exciting. A suggestion was made to the new PLA President to ask the conference planners to consider a round table, morning coffee or some other way for Trustees to meet and have a better sharing opportunity at the next conference.

Trustee Wadley-Munier said that the overwhelming message conveyed in every workshop was to be sure to utilize partnerships. Forming partnerships was a common theme reinforced again and again at the conference. Libraries should be open to considering both the usual and not so usual groups and organizations to supplement resources in today's economic environment and remain relevant. Libraries also need to promote their services more through these partnerships so other organizations realize the need for libraries as much as libraries need to work with other organizations.

Trustee Wadley-Munier enjoyed the conference very much and appreciated the opportunity to attend. She also said that she has provided input to Ms. Goodrich since she returned on some organizations that want to work on partnerships with the District.

Trustee Yturralde said that she and Trustee Wadley-Munier were able to split up and attend even more workshops than Wadley-Munier listed. Yturralde appreciated the opportunity to meet with people representing both large and small libraries. She enjoyed the many good ideas that were presented at the sessions.

Chair Benavidez informed Trustees that each of them has been provided with an evaluation form to review and complete for Executive Director's Goodrich's evaluation. These forms are due in June at the Regular Board Meeting.

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

Executive Director Goodrich agreed with Trustees Wadley-Munier and Yturralde about the PLA Conference. She said there were an incredible number of programs and wonderful opportunities to network with colleagues. Goodrich noted that at every conference, there always seems to be a topic everyone is talking about – at this conference the emphasis was on eMedia and digital rights management. This fast-changing topic was the subject of many sessions and reports by different committees. Trustees are aware from the eMedia report given at the March Board meeting that the situation is changing by the moment. Staff is working to keep on top of the changes. Current ALA President Molly Raphael has met with representatives of the Big Six publishers to try to keep a dialogue going between the library community and the publishers.

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Ms. Goodrich commented that the process is challenging. Libraries want to keep their services as convenient as possible while publishers seem to want to make services as inconvenient as possible, e.g., requiring patrons to come into the library to download a book, which as Goodrich said, seems to defeat the whole purpose of eMedia. It is also a continuing challenge to convey to patrons that one of the problems with eBook availability is that some of the Big Six publishers, mainly those that publish bestsellers, will not allow libraries to buy their eBooks.

Some libraries are striking out to build their own collections. However, these libraries are using publishers that are rather esoteric, not necessarily credible and cannot provide the bestsellers that people are looking for.

Trustee Moulton asked about the meeting Ms. Goodrich and Deputy Director Robb Morss recently had with Tom Fay, the Henderson District Public Libraries (HDPL) director. She asked about the purpose of the HDPL tax initiative that will go before Henderson voters in November. The HDPL is proposing a 2 cents per \$100 assessed property valuation increase. Ms. Goodrich said that HDPL lacks basic funding to adequately provide services and materials and has had to cut back on their hours and budget. In addition, HDPL is at the top of their allowable tax rate. Revenue from the higher tax rate will only be used to maintain current services and will not be used for expansion or any increases in staff positions, salaries or benefits. The reason for the meeting is that, usually when one of the library districts in the area chooses to do this, other libraries will be asked for a comment and whether their district is in the same situation. Goodrich confirmed that the District is not in the same financial situation as HDPL.

Ms. Moulton also expressed her appreciation of the work staff has done on furthering partnership opportunities with the Clark County School District.

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

Trustee Wadley-Munier asked about an incident on March 12, 2012 at the West Charleston Library listed in the Public Services Report. She wondered if the District had any liability in the case. Mr. Morss' report had noted that the incident involved a patron who had tripped over a cement bumper block and was bleeding from above her eye and her nose. West Charleston staff called paramedics, who transported the patron to the hospital upon arrival.

Mr. Morss said he believed that the incident was an accident on the patron's part, as the patron had just missed a step. The District has not been contacted as far as he is aware.

Trustee Wadley-Munier also asked about whether some of the trespassed patrons are transients or homeless. Mr. Morss said he is sure some of the patrons are homeless, but some of the trespassed patrons are simply patrons who are angry or having issues and cannot behave themselves in the library.

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Business Office Report (Item VII.A.2.)	Approved.
Human Resources Report (Item VII.A.3.)	Approved.
Technology Report (Item VII.A.4.)	Approved.
General Services Report (Item VII.A.5.)	Approved.
Marketing Report (Item VII.A.6.)	Approved.
Development Report (Item VII.A.7.)	Ms. Goodrich said that Development Director Danielle Milam had to go out of town for a family emergency and had asked that her report be corrected. On the top of page two in her written report, the amount of the District's funding request to the FCC's eRate program was actually \$278,189.57. Ms. Milam regretted the error; she was looking at the wrong cell in the worksheet. Trustee Kirsch moved to accept Reports VII.A. 1-7. There was no opposition and the reports were accepted.
Unfinished Business (Item VIII.)	None.
Discussion and possible Board action regarding the District's response to proposals submitted to the CTX Study Subcommittee regarding changes to the administration and distribution of CTX revenue. (Item IX.A.)	Ms. Goodrich and Deputy Director, CFO Fred James led the discussion regarding the District's proposed response to proposals submitted to the CTX Study Subcommittee regarding changes to the administration and distribution of the Local Tax Distribution Account, commonly known as Consolidated Tax or CTX revenue (CTX). Ms. Goodrich noted that this was a very esoteric and confusing topic, but as CTX makes up a significant portion of the District's budget, approximately 26% or \$15.2 million, the District is vitally interested in the work of the subcommittee. Any time an issue involving money comes up the issue of equitable distribution also arises. A formula that seemed to work fairly well, once the economy hit these unprecedented period in the last few years, caused aberrations, so the Legislature was asked to take a look at the CTX distribution. The 2011 Legislature approved legislation forming an interim subcommittee to study CTX. The subcommittee, chaired by Assemblywoman Marilyn Kirkpatrick (District 1, Clark), has met twice. Each meeting has involved comprehensive overviews of the tax and how it has been distributed. Recipients of the tax (counties, cities, special districts and enterprise districts) have been invited to identify distribution issues, because the subcommittee is determined to

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undertake a thorough review and determine if there have been issues of unfairness in its distribution.

Legislative Counsel Bureau (LCB) staff to the subcommittee prepared a number of illustrative tables and charts, as have several local jurisdictions. Recipients of the tax have been invited to submit their views about the tax's distribution and offer proposals for better methods, if they have them. There are 170 jurisdictions that receive CTX funds. Replies from a number of these jurisdictions identified different issues the individual jurisdiction has with the current formula.

Ms. Goodrich said these replies were then turned into proposals, which she believes is premature. These responses and proposals were analyzed by the LCB staff. They summarized each proposal and developed a form, to be filled out by each entity that receives CTX revenue. The form summarizes the proposals, asks questions about them, and also asks a series of general questions regarding the administration and distribution of CTX revenue. Responses from the entities are due back to the Fiscal Analysis Division of the Legislative Counsel Bureau by Friday, April 13.

Ms. Goodrich asked the Trustees if they would be willing to delegate to her and Mr. James the work of responding to the LCB by the deadline. Because of the complexity of the distribution formula issue and the desire to avoid unintended consequences, several Clark County jurisdictions representing 90% of the state's population have commissioned financial models based upon a variety of hypothetical population and/or assessed valuation growth (or lack of growth) situations, since the current model is driven by these factors.

Jeremy Aguerro of Applied Analysis has been working on these financial models. He discussed this work at a meeting of local jurisdictions held on April 10. During his discussion, he noted that in a 50-year analysis of these taxes, the highest tax revenues and the lowest tax revenues occurred within a six year period. When Ms. Goodrich describes the current financial situation as unprecedented, this is one of the reasons.

Ms. Goodrich explained that, after the April 10 meeting, and in discussion with colleagues at several different jurisdictions, she is recommending that the District respond to the proposals and policy questions by recommending the use of the model that has been created by Mr. Aguerro and his staff at Applied Analysis. Aguerro has created an astounding model that takes all of the past history of the CTX and the earlier six taxes that now roll into the CTX, all the population growth history and assessed valuation (AV) growth (or lack of such growth) which are the components of the assessed distribution formula and created a 7,000 line spreadsheet that can be used to model the "what-if" questions.

One of the problems with these proposals is that there are some unintended consequences due to some changes made to the formula last time around. The group that has joined together includes the cities of Las Vegas, Henderson, Boulder City and Mesquite, Clark County, the District, Henderson District Public Libraries, Washoe County and its cities of Reno and Sparks. Ms. Goodrich noted that

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North Las Vegas was invited but was involved in their budget presentation and could not attend.

The group would like to propose to the subcommittee that each jurisdiction's proposal be run through the model and the results identified for discussion, rather than responding to identified singular issues that come from each of the entities. Ms. Goodrich said that most of the proposed issues are generated from an idea that a specific area should be fixed as the individual jurisdiction believes that is the problem for that jurisdiction. The group would instead try to look at CTX more broadly. If the perceived issue is fixed, what would be the ramifications? While the fix may solve one entity's problem over time, what would the unintended consequences be to other jurisdictions in the state?

Another issue is that the rural counties receive a guaranteed base amount due to their small size and they have not had a problem with the distribution so far. Going forward, problems might arise for them.

The District would like to encourage the subcommittee to take a broader view, use the model to answer the questions proposed by the different scenarios and refrain from making jurisdiction by jurisdiction adjustments. Ms. Goodrich said it was imperative to look at the impact on all jurisdictions throughout the state. It is also important to take advantage of the model to look at the two pieces that make up CTX.

First there is the base, which utilizes the Consumer Price Index. It would be more stabilizing if an entity received in the coming year what the entity had received in the previous year as a base amount.

The second piece is the excess, which has used both a "1+" factor or a no "1+" factor. Perhaps something in between these two factors would be a better idea as it would smooth out the gaps between the high and low rates and lead to better planning tools for all of the jurisdictions who receive CTX. There could be something in the range between a zero factor and "1+" factor that would have a better moderating influence.

This was the purpose of the "1+" factor in the first place. No one foresaw the huge run up and huge decline. There needs to be a better way to moderate future swings. The lack of the "1+" factor had caused some anomalies in these economic times.

As a local jurisdiction, even if the District received slightly less money, it would be helpful to have a better idea of what the District would regularly receive as it would make it easier to plan the District's budget.

Ms. Goodrich concluded her comments by saying that her general proposed responses ask that the Subcommittee use the model to evaluate any proposals overall, not jurisdiction by jurisdiction.

Trustee Saunders noted that the responses were due by the day after the Board meeting and asked Ms. Goodrich if she had a draft response ready. Ms. Goodrich then read the draft response to be sent to the LCB by her:

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The Las Vegas-Clark County Library District Board of Trustees and I thank you and the Subcommittee for the opportunity to participate in the discussion regarding the distribution of Consolidated Tax (CTX) revenue. We know that this is a formidable task and appreciate the Subcommittee's efforts in taking it on.

I've discussed the proposals and issues questions posed to each CTX recipient with the District Board at their April 12, 2012, meeting. The Board has asked me to pass along their thinking to you in responding to the queries made.

The District has been a party to the financial modeling process that has been undertaken by major CTX recipient jurisdictions and is supportive of the effort to determine a formula which is in the best public policy interests of recipients and, ultimately, those receiving public services, statewide. We recognize that this is no easy feat to accomplish.

We see the development of a revised approach to the distribution of CTX revenue as an iterative process and think that the modeling tool that has been developed by Applied Analysis should be utilized to test various approaches to minimize potential unintended consequences of piecemeal adjustments. We are supportive of a distribution approach which has the following characteristics:

- *The formula works in such a way as to smooth out highs and lows, driven by changes in population, assessed valuation, or both. The financial modeling we've seen appears to argue for a formula that addresses both base and excess distribution.*
- *The formula has some sort of control mechanism that prevents the kinds of outliers or anomalies that could have occurred in the distribution of excess revenue in Clark County. Such anomalies could happen anywhere in the state, depending upon local conditions.*

In other words, we know that the current formula has not worked as originally intended given the highly unusual financial environment of the last few years. A formula which results in a more stable and predictable funding stream would be advantageous to the District and other recipient entities.

Any change to the distribution formula has a cascading effect. By utilizing the financial model to test various scenarios and the effects of various changes on all recipients, we believe local entities will be able to determine an approach that will be in the collective best interests of all. We are concerned that a piecemeal, jurisdiction by jurisdiction approach (an adjustment here, an adjustment there) could result in another set of unintended consequences. The issues identified and the proposals you've derived from them seem to take us down this road. The District supports backing up a bit and utilizing the financial model to test various formula adjustment scenarios to best understand their impacts.

More collective discussion is required and the District is committed to continuing to work with other local jurisdictions to develop recommendations for the Subcommittee. We believe the optimal

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approach is to develop recommendations that can be supported by local jurisdictions and entities receiving the majority of CTX revenue.

Trustee Saunders thanked Ms. Goodrich for the information.

Trustee Crear said she assumed that there will be a reduction in CTX revenue coming to the District and asked about the projected impact. Mr. James said the staff does not know at this time what, if any, impact there will be to District revenue. The working group is proposing to use the model to test different adjustments to reduce the drastic revenue increases and subsequent revenue decreases most jurisdictions have experienced.

For example, several years ago, the District was receiving approximately \$20 million in CTX revenue. The next year, CTX revenue dropped \$3 million. While CTX revenues make up 26% of the District's annual revenue, it makes up 50% of city revenues and the swings are very damaging to their budgets. If the formula can smooth out revenues from year to year and reduce such drastic swings, this would be advantageous to each jurisdiction. Mr. James also noted that the financial model really showed the impact of the individual changes over a long period of time for each jurisdiction.

Trustee Moulton asked if Ms. Goodrich and Mr. James sensed that the group is striving for equity. Both Goodrich and James answered in the affirmative, with Goodrich continuing to say that the group is working for what is good for the state as a whole. While individual jurisdictions may take issue with certain areas and not agree with everything, she felt that the group was taking a statesmanlike approach to the process and looking at the effect on the state as a whole.

Trustee Moulton then noted that smaller counties have different challenges than larger counties. Taking care of issues in more populated areas takes more money and Clark County is the engine that drives the state. While the state needs to take care of everyone, but some jurisdictions have challenges that might not be resolved by an equitable solution. Moulton also noted that she liked the use of funding formulas and has confidence in Mr. Aguerro's work.

Mr. James noted that Mr. Aguerro has created a model that will be as equitable as possible. While no formula can anticipate every scenario, the hope is that this financial model can attempt to smooth out different effects.

Trustee Moulton then asked about hold harmless provisions that the Clark County School District (CCSD) has had to deal with in the state education funding formulas. For some counties, if population dropped, the county's share of funding would stay at the same level for two years. This enabled the smaller counties to build up substantial reserves, which they could access when the funding finally dropped and enabled these smaller counties to not have to increase class sizes, etc. CCSD was not able to build up reserves and had to take drastic measures. Where is the equity in this?

Ms. Goodrich noted that any formula was going to have to address population growth and declines, and assessed valuation increases and

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decreases. Some jurisdictions may have had one over the other and some may have recently had none. Boulder City is a good example. This city will not be growing soon, but still has infrastructure that needs to be replaced or repaired. The District, like Boulder City, is a mature jurisdiction and still needs money for these types of expenses. The CTX recipients are not just growing entities. Goodrich noted there was extensive discussion of that at the April 10 meeting.

Ms. Goodrich commented that she and Mr. James were very impressed with the discussion and the proposed financial model. So her response to proposed provisions is to state that the District does not want to say yes or no to specifics; the District would like to see the effect of the proposals using the model on all 170 jurisdictions.

Trustee Moulton then noted the importance of evaluating any financial tool and asked about the timetable to validate the proposed model. Ms. Goodrich noted that the Department of Revenue has validated the information and results that reflect the historical occurrences. Again, the idea is to smooth out the ups and downs. The discussion centered around determining if there can be a fail-safe mechanism to address a situation when circumstances cause the formula to go off track.

Trustee Kirsh asked for a definition of a Special District and what makes the District one. Ms. Goodrich noted that first tier CTX recipients are counties. Second tier recipients include cities, enterprise districts and special districts. Special Districts include fire districts, library districts, sewer districts and general improvement districts. These are not general purpose governments, but formed to provide a specific service. Counsel Welt added that these districts are defined by legislation.

Chair Benavidez confirmed that Trustees agreed with the draft letter and directed Ms. Goodrich to proceed with the approach she had outlined.

Discussion and possible Board action regarding the Fiscal Year Ending (FYE) June 30, 2013 Tentative Budget submittal to the Department of Taxation and preparation for the May 17, 2012 Budget Public Hearing. (Item IX.B.)

Ms. Goodrich and Mr. James presented the Fiscal Year Ending (FYE) June 30, 2013 Tentative Budget. The Nevada Revised Statutes require that the Tentative Budget be filed with the State Department of Taxation by April 15, 2012.

The Tentative Budget is for discussion purposes only, and will be adjusted according to the final revenue estimates expected to be received in early May, as well as subsequent expenditures, for the District's Budget Hearing scheduled for May 17, 2012.

Ms. Goodrich and Mr. James met with the Finance and Audit Committee on March 29, 2012 regarding the Tentative Budget submittal to the Department of Taxation. During the meeting, the Committee was informed that the District is expecting another reduction in property tax revenues for FYE 2013. At that time, staff was projecting a reduction of about 4.3% from the previous year's revenues, about \$1.7 million. After the meeting, staff received the figures from the state, and is now projecting a reduction of 7.6% in property tax revenues from FY 2011-2012, about \$3 million. To resolve the issue of lower property tax revenues, Mr. James and Ms. Goodrich are proposing to reduce the

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amount transferred from the General Fund to the Debt Service Fund. James and Goodrich have reviewed their long-term projection for the District and believe the assumptions used are still accurate. Specific details are discussed below.

Despite another year of declining property tax revenue, staff is projecting some slight improvements to District expenditures and Capital Projects Budget plans, due to a higher than expected ending fund balance, improving CTX revenues, and tight control over expenditures during the last several fiscal years. This will continue into the next fiscal year.

Mr. James discussed each fund and provided details on revenues, expenditures, transfers and other details for the FYE 2013 budget.

FYE 2013 General Fund

The General Fund represents the basic complement of services provided to the patrons of the Las Vegas-Clark County Library District and is the operating fund of the District.

Revenues

The proposed preliminary General Fund budget amounts to \$55.6 million.

As compared to the FYE 2012 Budget, property tax revenue for FYE 2013 is estimated to decrease by 7.6%. Consolidated Sales Tax (CTX) revenue is estimated to increase by 7.9%, as compared to a 7.0% increase for FYE 2012.

Property tax (66%) and Consolidated Sales Tax (29%) revenues account for 95 percent of all General Fund revenues. The remaining five percent of the General Fund's revenues are generated from library fines, programming and rental charges, revenue from contract libraries and investment income.

The District's operating tax rate will remain at 9.42 cents per \$100 of assessed valuation. This rate includes the District's SCCRT Loss Tax rate (NRS 354.59813) of .57 cents in the District's base operating rate.

Expenditures

The proposed preliminary General Fund budget amounts to \$52.1 million, a \$1.4 million increase as compared to FYE 2012.

The FYE 2013 Tentative Budget proposes \$7.8 million in library materials expenditures, an increase of 6.2% over current levels. The proposed appropriation amounts to 15% of the total General Fund budget. In addition, \$507,600 is budgeted for equipment replacement, computer hardware, and facility repairs, an increase of 41.6% over current levels.

A \$17.5 million transfer is proposed in the FYE 2013 Tentative Budget from the General Fund to the Capital Projects Fund and Debt Service Fund to cover future minimum ending fund balance requirements and debt service requirements for the District's medium-term bonds. It is anticipated that \$1.5 million and \$15.9 million will be transferred, respectively, to the Capital Projects Fund and the Debt Service Fund.

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See the section for the Debt Service Fund below for further discussions regarding the anticipated transfer. This is a reduction from the \$18.8 million transfer amount discussed at the Finance and Audit Committee meeting and is due to the lower than projected property tax revenue figures received at that meeting.

The General Fund's ending fund balance is projected at \$6.5 million and amounts to a minimum of 12.6% of the total budget. Strict control on expenditures during FYE 2012 resulted in a higher than anticipated ending fund balance. Mr. James explained that the FYE 2012 ending fund balance becomes the FYE 2013 beginning fund balance.

Based upon the updated property tax revenue figures, no changes were made in the proposed expenditures.

Revenues	General Fund Preliminary FYE 2013 Budget
Property Taxes	36,480,000
Consolidated Tax	16,396,000
Charges for Services	1,125,000
Fines and Forfeits	1,250,000
Miscellaneous Revenues	300,000
Investment Income	50,000
Total Revenues	55,601,000
Expenditures by Function	
Public Services	35,853,193
Information Technology	3,637,749
Administration	4,962,749
General Services	7,631,529
Total Expenditures	52,084,765
Excess Revenues over Expenditures	3,516,235
Beginning Fund Balance	20,534,708
Other Financing Sources and Uses	
Transfers (to) Other Funds	(17,479,036)
Ending Fund Balance	6,571,907
	12.62%
Expenditures by Activity	
Salaries	23,473,991
Benefits	8,796,269
Services and Supplies	11,502,065
Library Materials	7,804,840
Capital Outlay	507,600
Total Expenditures	52,084,765

Capital Projects Fund

A \$1.5 million transfer is proposed from the General Fund to be appropriated to the different programs within the Capital Projects Fund. The transfer is designated for the establishment of a sixth program for

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vehicle replacement, major building repairs and maintenance, and for a new management information system/human resources information system.

The high beginning fund balance is due to the balance remaining from the medium term bond proceeds.

Revenues	Capital Projects Fund Preliminary FYE 2013 Budget
Investment Income	300,000
Total Revenues	300,000
Expenditures by Activity	
Services and Supplies	467,000
Capital Outlay	2,240,000
Total Expenditures	2,707,000
Excess (Deficiency) of Revenues over (under) Expenditures	(2,407,000)
Beginning Fund Balance	36,013,828
Other Financing Sources and Uses	
Transfers (to) Other Funds	(29,320,000)
Transfers from Other Funds	1,500,000
Ending Fund Balance	5,786,828

Special Revenue Funds

Activity in the Gift, Expendable Trust and Grant Funds are accounted for in Special Revenue Funds. The Gift and Expendable Trust Funds account for donations to the District and are estimated to be \$500,000 in FYE 2013. The Grant Fund of \$1,300,000 accounts for revenues and expenditures for monies received from state and federal grants. All grants are budgeted as funding is approved by the State.

Revenues	Special Revenue Funds Preliminary FYE 2013 Budget
Intergovernmental Revenue	1,300,000
Miscellaneous Revenue	200,000
Contributions and Donations	300,000
Total Revenues	1,800,000
Expenditures by Activity	
Salaries	421,000
Benefits	129,500
Services and Supplies	651,500
Library Materials	276,132
Capital Outlay	547,800
Total Expenditures	2,026,132
Excess (Deficiency) of Revenues over (under) Expenditures	(226,132)
Beginning Fund Balance	479,611
Other Financing Sources and Uses	
Transfers from Other Funds	117,686
Ending Fund Balance	371,165

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general obligation bonds.

The District obtained additional funding through medium-term financing for the design and construction of the Windmill Library and Service Center in March 2009. The financing provided a total of \$51.6 million. The medium-term bonds are payable from all legally available funds of the District. In addition, the District must maintain a reserve on hand, equal to the annual debt service requirements. Principal and interest is \$7.6 million for FYE 2013.

In order to ensure that the District has the funds necessary to retire the medium-term bonds on schedule, staff is proposing that additional funds be set aside in FYE 2013 that will free up most of the General Fund monies through FYE 2018 for other programmatic purposes, in effect paying off the bonds six years earlier. The set-aside approach also provides flexibility, should unforeseen expenditures or revenue declines appear.

To accomplish this strategy, \$17.5 million and \$29.3 million will be transferred from the General Fund and Capital Projects Fund, respectively. The adjustments to the lower figures were made after staff received the projections from the State of Nevada. The difference was made up by increasing the amount of the proposed transfer from the Capital Projects Fund. Mr. James noted that the District cannot pay off the bonds early, due to the bond covenants.

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Revenues	Debt Service Fund Preliminary FYE 2013 Budget
Investment Income	120,000
Total Revenues	120,000
Expenditures by Activity	
Services and Supplies	30,000
Debt Service	7,630,400
Total Expenditures	7,660,400
Excess (Deficiency) of Revenues over (under) Expenditures	(7,540,400)
Beginning Fund Balance	8,146,946
Other Financing Sources and Uses	
Transfers from Other Funds	45,181,350
Ending Fund Balance	45,787,896

Pending Board direction for any additional changes, staff will prepare a FYE 2013 Proposed Budget that incorporates any necessary adjustments subsequent to the administrative filing of the FYE 2013 Tentative Budget with the Department of Taxation.

There were no questions.

No vote is required for this item.

Discussion and possible Board action regarding entering into a lease agreement for building space for the Blue Diamond Library.
(Item IX.C.)

General Services Director Steve Rice explained that, in May 1992, the Library District entered into a lease agreement for 1,440 square feet of building space for the Blue Diamond Library. The initial term of the agreement was for five years with the option to renew for three additional five-year terms. In May 2007, the Library District exercised the third and final five-year renewal option that expires May 2, 2012. Staff is recommending that a new lease agreement be entered into for the current location in order to continue providing library services within the Blue Diamond community. Staff has negotiated the following primary terms and conditions with Daniel Thomas, Owner, subject to Board approval:

- Initial term shall be two years with an option to renew for three additional two-year terms.
- Monthly rental amount during the initial term shall remain the same as the current amount, \$1,337.20. Upon renewal there may, at the Owner's discretion, be an increase that reflects the change in CPI (Consumer Price Index for All Urban Consumers (CPI-U) U.S. City Average (not seasonally adjusted)) over the previous term plus the proportionate increase in property taxes, if any, during the previous term.
- Owner to provide fire and casualty insurance on the premises. Library District to be responsible for its contents and liability within the leased space.
- Owner to maintain the building exterior to include walls, roof, mechanical systems, parking lot and grounds, etc. Library

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District to maintain the interior of leased space.

The lease document will be written to include the above terms and conditions and other typical language recommended and approved by Counsel. Staff will present to the Board of Trustees its recommendation regarding exercising future renewal options prior to the expiration of the then current term.

Chair Benavidez commented that the deal seems to be very good for the District. Mr. Rice noted that the economy worked in the District's favor; the landlord keeps the space occupied while the District keeps a presence in the Blue Diamond area.

Trustee Kirsh asked if the opening of the Windmill Library had reduced patrons at the Blue Diamond Library. Mr. Morss said that patron counts are down. The Windmill Library is 15 minutes from the Blue Diamond area. Patrons who may be shopping or picking up children in the Windmill area are stopping at Windmill instead of Blue Diamond. In addition, the Windmill Library is open more hours than the Blue Diamond Library and is larger.

Trustee Reese said the landlord was also getting a good deal, with the possible increase due to the CPI, even though the lease period is shorter. Mr. Rice noted that the reduced lease period allows District staff more flexibility in evaluating the service model in Blue Diamond.

Trustee Moulton asked if the District had any other outstanding leases. Mr. Rice said that the Blue Diamond lease is the only location where the District pays rent. Other outlying locations are housed in city or county facilities where the District pays \$1 per year.

Trustee Wadley-Munier moved to authorize staff to enter into a lease agreement for building space for the Blue Diamond Library for a term of two years beginning May 2, 2012, at a monthly rental amount of \$1,337.20, subject to review by Counsel. There was no opposition and the motion carried.

Discussion and possible Board action regarding the employment agreement for Jeanne Goodrich, Executive Director. (Item IX.D.)

Chair Benavidez asked Trustee Kirsh to present the item. Kirsh said that Ms. Goodrich's current contract expires in 2012. Kirsh and Chair Benavidez met with Ms. Goodrich to confirm the Board's interest in retaining her services. Ms. Goodrich and Counsel Welt then worked to negotiate the new agreement.

The proposed employment agreement for Ms. Goodrich will contain essentially the same terms and conditions of employment as her previous employment agreement with the District including the following provisions:

- The employment agreement will be for a period of twenty-eight (28) months beginning June 17, 2012 and continuing through October 24, 2014.
- Ms. Goodrich's salary will be continued at Step F, Range 145 of the current pay plan. An annual review of Ms. Goodrich's performance has been established with the opportunity for salary increases within the salary range based on merit and

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for cost of living increases approved by Trustees for District staff.

- All other terms and conditions essentially remain the same. The moving expense allowance in the first agreement was removed.

Trustee Ence asked about the agreement period of 24 months. Trustee Kirsh explained that Ms. Goodrich has expressed her intent to retire upon the conclusion of the contract.

Trustee Kirsh moved to authorize the Chair to execute an at-will employment agreement for Jeanne Goodrich for the position of Executive Director effective June 17, 2012 through October 24, 2014, subject to the review and approval of legal counsel.

Counsel Welt clarified that Ms. Goodrich's employment was at will, but subject to the agreement terms.

There was no opposition and the motion carried.

Trustee Crear said that she was sad to hear about Ms. Goodrich's intent to retire. She was a part of the Board when Ms. Goodrich was selected and hoped that the search process will allow time for the Board to identify internal interest. Chair Benavidez concurred, saying that the 28 month period will allow Trustees to determine how they want to proceed with the search.

**Announcements
(Item X.)**

The next Board Meeting will be held Thursday, May 17, 2012 in the Windmill Library at 6:00 p.m.

**Public Comment
(Item XI.)**

Michele Delia – 9101 Sahara Ave, Las Vegas, NV 89117

Ms. Delia began her comments by quoting from the District's mission statement. "We enable the people of our community to pursue lifelong learning through our responsive collections, electronic resources and innovative services. Our inviting public libraries are the cornerstones of our diverse communities where children and adults can experience personal enrichment and connect with one another." She then said that due to the astronomical rate increase by the library for the use of its theaters, the District's mission statement has missed its mark. The action will adversely affect the community, those who perform, and those who attend and will mostly impact the children who fall into both groups. This will really hurt elderly people in the Summerlin community who come to the theater to watch the kids perform and even the adults who perform there. Ms. Delia thanked the Trustees for their time.

Marci Riedy – 9801 Queen Charlotte, Las Vegas, NV 89145

Ms. Riedy said she was a native Las Vegan, CPA and former Vice President of Finance in the gaming industry. In April 2011, the District brought down the curtain on its performing arts centers. Riedy said she has spent a considerable amount of time trying to figure out why it happened. After two public records requests and a meeting with District staff this is what she discovered.

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First, she believed the analysis completed by District staff is significantly flawed. This analysis is, in turn, what the Board relied upon when voting for the new rates. She has no reason to believe the staff tried to mislead the board. But she does feel staff could have used more critical thinking in its analysis. Due to her time limit, she provided one example:

- The analysis allocated tech payroll between user group and library-sponsored events based solely upon the number of programs and not based upon whether the techs were actually used.
- The tech department worked a total of 20,600 hours. The user groups were billed 4,500 hours for tech usage because that is all they actually used. Yet the analysis allocated to the user groups the equivalent of 12,200 hours of tech payroll. That is a difference of \$300,000 built into the new rates.
- She asked the Board to consider whether their decision to increase the rates to the magnitude they were increased would have been different if the analysis better matched expense to the segment that actually incurred it.

Second, Ms. Riedy claims that the rates established are based solely on a mathematical formula and not based on "what the market will bear." A full day rental for the District's Performing Arts Centers is 150% higher than CSN and 27% higher than UNLV and these venues have 80% more seats. She also wanted to point out that all the venues she contacted have reduced pricing for non-profit organizations.

Lastly, Ms. Riedy believed the decision was not driven entirely by economics. It was driven by the belief that the performing arts was no longer considered a core mission of "our" libraries. While DVDs and CDs are considered imagination stimulation, apparently the performing arts are not. General Fund revenue appears to be down 4-5% for the current fiscal year. When the Trustees consider 2011 circulation was down 8% and the county's population was down 2.7%, she asked the Board, is the decrease in revenue with even higher decreases in the utilization of library services really such a huge shortfall that requires a pricing decision that effectively wipes out the theatrical and musical performing arts in its libraries? With \$41 million in unrestricted net assets, the District does not appear to be in a fiscal crisis.

Ms. Riedy concluded by saying that the new policy has been in effect for one year now with few bookings. She asks the Board to revise the rates and consider a cost recovery of 75% rather than the full 100% cost recovery. Library services by their very nature are subsidized. She understood that core services should receive more funding, but other services should not receive zero funding. She also asked the Board to offer reduced pricing for non-profit organizations whose entire existence is to give back to the community. Riedy thanked the Board as her time ran out.

Applause was heard after Ms. Riedy concluded.

Earl Newell – 10000 Alegria Drive, Las Vegas NV 89144

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Mr. Newell began by saying he would like to ask the question of who is to be held accountable for the fact that these performing arts center facilities were built with funds provided by the community and the community now has no practical way to make use of these facilities to provide low-cost performing arts productions. If the support of performing arts in the community is not perceived to be the responsibility of the Library District, why has the public continued to fund the construction of performing arts centers in the libraries? Non-profit production groups who charge nominal administration fees to cover costs cannot afford the use of these facilities anymore. Nor can they provide these types of services to folks who cannot afford to pay more for admission fees. What is the plan for these facilities in the future if no one can afford to use them? He questioned the motivation of the Board or individuals on it as related to the fee increase, based on the way it was accomplished. There seem to have been no, or a total disregard of the democratic process in making this decision. He concluded by thanking the Board.

Applause was heard after Mr. Newell completed his remarks.

Heaven Akmal – 9101 W. Sahara Avenue, Las Vegas, NV 89117

Ms. Akmal stated she was 13 years old and part of the Broadway Bound program. Akmal continued by saying that Broadway Bound has made her and other shy students come out of their shell and made them better performers overall. With the ridiculous rate increase, the program is unable to have a theater to perform in. This upsets Akmal because there are younger students who don't know what is going on: why they do not get to sit and learn about singing or better yet, learn about life lessons.

Applause was heard after Ms. Akmal completed her remarks.

Stephanie Kice – 728 LaTosca, Las Vegas, NV 89138

Ms. Kice thanked Trustees for giving her the opportunity to speak. She said she respectfully asked them to reconsider the fee increase on end-user groups who rent the libraries theaters. She is sympathetic with Trustees as they have had to deal with, as previously described, "unprecedented" budget concerns and issues over the last six years. However, if Trustees are trying to make up budget shortfalls, pricing the District facilities out of any rental fees of any of the groups has a profoundly negative impact. This kind of impact affects the District's constituents and will disproportionately affect children and the elderly, but ultimately the whole community pays a price.

Secondly, Ms. Kice said that if the District does not have any end-user groups using the library, the District will not have any revenue at all. Because, with the rate increase being as high as it is, these groups are having to look for alternate venues or they are just having to stop putting on the productions.

Ms. Kice continued by saying that Las Vegas needs the arts. The library needs to be a partner with the community in fostering a life-long appreciation for not only reading but many different kinds of art. With the Smith Center, there is only going to be an increase in people's

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interest and desire to see productions of all kinds. And, on a personal note, Ms. Kice said that Broadway Bound has had a very good impression on her son: he has increased confidence from appearing in productions and he also excels in his schoolwork on the portion of his assignments that involve public speaking. He wanted to say a few words.

Joseph Kice is 7.5 years old. He just wanted to tell Trustees that Broadway Board has made him want to dance a lot and it has made him get better in singing, dancing and acting. He thanked Trustees.

Applause was heard after Ms. Kice and Joseph concluded their remarks.

Lance Earl – 8333 Granite Mountain, Las Vegas, NV 89129

Mr. Earl said he was Vice President of Signature Productions, which has performed at the Summerlin Library for many years. The group provides what they call family-friendly entertainment putting on Broadway shows. Right now, Signature is putting on *Hairspray*, which has been well received. Many of the patrons that come say the majority of them are from the Summerlin and Sun City areas and are senior citizens. Signature charges anywhere from \$18-25 for their shows, which Earl said was probably the highest of those that utilize the performing arts center. Signature is still under the old fee structure contract. They have not signed up for the next year's productions because Signature has determined that they cannot increase the prices. Signature cannot double the prices and attract the patrons that have so often come and seen the shows that the group has put on. The Smith Center is a wonderful opportunity for the Las Vegas community. However, its tickets are well above the price which most of those who attend the Summerlin Library shows and those who attend the performing arts centers are able to afford. The prices range anywhere from \$50 to over \$100 for the tickets. Trustees are not going to be able to find those patrons doing that. When the libraries were built, they provided performing arts centers with a special purpose of being able to allow community theater and other types of performances to be able to utilize the theaters. As a result of the fee increase, Mr. Earl said he understood there have been a couple of bookings, but he will also be interested to see how they are to actually be able to pay the full amount. He knows it has been a very big struggle for those groups who have done it.

Mr. Earl was interested to hear the discussion about the District's budget. He requests that the Board consider taking the opportunity to see whether there is the ability and flexibility to include a revisit of the budget proposal that would allow performing arts to continue. Earl said Ms. Riedy has done a very good job on limited information to be able to determine that the factors and information provided to the Board last year in making their determination may have some flaws. In looking at the figures, Trustees may be able to determine that there is more flexibility in being able to provide an opportunity for the community to come in and utilize the specific performing arts center in

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the way in which they were built with public funds. He thanked the Board for their attention.

Applause was heard after Mr. Earl concluded his remarks.

Chair Benavidez thanked all speakers for their remarks.

**Executive Session
(Item XII.)**

Removed from Agenda.

**Adjournment
(Item XIII.)**

Chair Benavidez adjourned the meeting at 7:25 p.m.

Respectfully submitted,

Keiba K. Crear, Secretary