

MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES' MEETING
LAS VEGAS, NEVADA
May 19, 2016
(approved August 11, 2016)

The Board of Trustees of the Las Vegas-Clark County Library District met in regular session in the Windmill Library, Las Vegas, Nevada, at 6:00 p.m., Thursday, May 19, 2016.

Present: Board: M. Saunders, Chair R. Ence
K. Crear S. Moulton
R. Wadley-Munier M. Francis Drake
F. Ortiz J. Melendrez

Counsel: G. Welt

Absent: S. Bilbray-Axelrod - excused
Y. Yturralde - excused

Staff: Dr. Ronald R. Heezen, Executive Director
Numerous Staff

Guests:

M. Saunders, Chair, called the meeting to order at 6:04 p.m.

Roll Call and Pledge of Allegiance (Item I.) All members listed above represent a quorum. Trustees Crear and Melendrez attended via telephone. Trustee Wadley-Munier arrived at 6:21 p.m. Trustees Bilbray-Axelrod and Yturralde had excused absences. Appendix A.

Trustee Francis Drake led attendees in the Pledge of Allegiance.

Public Comment (Item II.) None.

Agenda (Item III.) Chair Saunders announced that New Business Items VIII.D. and VIII.E. would be moved before Item VIII.B.

Trustee Ence moved to approve the Agenda as changed. There was no opposition and the motion carried.

Approval of Proposed Minutes Regular Session, March 10, 2016 Finance and Audit Committee Meeting, April 14, 2016, and Regular Session, April 14, 2016. (Item IV.A-C.) Trustee Moulton asked a question about the minutes of the Finance and Audit Committee Meeting, April 14, 2016. On page 4, first paragraph, she believed that the additional positions that were discussed included new staff for the East Las Vegas Library, which was not included. Executive Director Dr. Heezen said the only new positions were, as stated, the 7.9 FTE for the Mesquite Library. Staff do not anticipate the new East Las Vegas Library requiring additional positions and none were included as the new building will require the same amount of staff as the current Las Vegas Library.

Trustee Moulton moved to approve the Minutes of the Finance and Audit Committee Meeting held April 14, 2016. There was no opposition from Committee members and the motion carried.

Chair Saunders corrected the minutes of the Board of Trustees Meeting, April 14, 2016. On page one, last paragraph, he added "Boards of" to the next to last sentence on the page. The sentence

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now reads, "He also attended sessions on maker spaces, strategic planning, and a library board session that focused on dealing with dysfunctional Boards of Trustees (Saunders emphasized that he is grateful the District is very functional in that regard)."

Chair Saunders accepted the Proposed Minutes of the Regular Session, March 10, 2016 and the Regular Session, April 14, 2016 (as corrected). Trustee Moulton abstained on voting on the minutes of the Regular Session, March 10, 2016.

Chair's Report (Item V.)

Chair Saunders informed Trustees that envelopes containing information for the Executive Director's evaluation were at each seat. For those on the phone, these items will be mailed out.

Chair Saunders asked for volunteers to serve on the Nominating Committee, which will meet at 6:00 p.m. on Thursday, June 9, 2016 at the Centennial Hills Library. Trustees Melendrez, Moulton, Ortiz and Chair Saunders agreed to serve on the Committee.

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

Dr. Heezen advised Trustees that his newsletters to staff, *For the Record*, April 14, April 29 and May 13, 2016, were also distributed to Trustees. Staff have been focused on working on the items discussed in the *For the Record* reports, as well as the items on the Agenda at this meeting.

Dr. Heezen introduced Shanna Harrington as the District's new Youth Services Manager. Ms. Harrington was formerly an YPL Department Head at the Whitney Library. Heezen then introduced Betsy Ward as the District's new Branding and Marketing Director. Ms. Ward started several weeks ago and brings 19 years of experience at R&R Partners to the District. He asked both Harrington and Ward to stand and they were given a round of applause.

Library Reports (Item VI.)

Trustee Moulton moved to accept Reports VI.A.1-3. There was no opposition and the reports were accepted.

Library Operations, Security Reports and Monthly Statistics (Item VI.A.1.a.)

No questions.

Branding and Marketing Report and Electronic Resources Statistics (Item VI.A.2.a.)

No questions.

Community Engagement Report (Item VI.A.2.b.)

No questions.

Development and Planning Report (Item VI.A.2.c.) No questions.

Information Technology Report (Item VI.A.2.d.) No questions.

Financial Services Report (separate reports for August & September) (Item VI.A.3.a.) No questions.

General Services Report (Item VI.A.3.b.) No questions.

Human Resources Report (Item VI.A.3.c.) No questions.

Unfinished Business (Item VII.) None.

Consent Agenda. Trustee Moulton moved to approve the Consent Agenda in its entirety, which consisted of:

1. Discussion and possible Board action regarding contract award for the exterior painting of Summerlin Library.

1. Authorizing staff to award a contract for the exterior painting of Summerlin Library in accordance with Bid No. 16-12 to Triple Crown Painting and Drywall for the amount of \$80,213.
2. Authorizing staff to award a contract to install a new single-ply roofing system at Enterprise Library to The Original Roofing Company for the amount of \$63,962.

2. Discussion and possible Board action regarding contract award for installation of a new single-ply roofing system at Enterprise Library. (Item VIII.A.1-2)

There was no opposition and the motion carried.

Public Hearing on the Las Vegas-Clark County Library District Tentative Budget for Fiscal Year 2016-2017. (Item VIII.D.)

Trustee Moulton moved to convene the Public Hearing regarding the Las Vegas-Clark County Library District's Tentative Budget for FY 2016-2017. There was no opposition and the motion carried.

There was no public comment.

Trustee Moulton moved to close the Public Hearing on the Tentative Budget. There was no opposition and the motion carried.

Discussion and possible Board action to adopt the Las Vegas-Clark County Library District's Final Budget for Fiscal Year 2016-2017. (Item VIII.E.)

The Las Vegas-Clark County Library District's Final Budget for Fiscal Year 2016-2017 has been provided for Trustees' review. The Tentative Budget was filed with the State of Nevada Department of Taxation on April 15, 2016.

NRS 354.598 requires that the Final Budget be adopted by the governing body and transmitted to the State Department of Taxation on or before June 1st. Once the Final Budget is adopted, it becomes the operating plan for the fiscal year beginning July 1, 2016.

Dr. Heezen introduced the Fiscal Year 2016-2017 Budget by speaking about the current budget situation and how the Property Tax Cap Formula has affected various areas of the District's budget. Even though the area economy and property values are now on the upswing, the Consumer Price Index (CPI) is now flat and the formula's ten-year average of property values is now weighted heavily by those years when the economy was bad. Because there is no provision in the Tax Cap formula to stop the Property Tax Rate (PTX) from dropping below a certain point for the next two to three years, even as the economy recovers, public entities statewide will experience significant budget constraints.

Trustee Wadley-Munier arrived during Dr. Heezen's remarks.

Dr. Heezen then discussed how staff planned to complete the building programs for the East Las Vegas and Mesquite libraries as well as focus on the V.2020 Strategic Plan. He emphasized that staff's activities would be focused on belt-tightening and initiatives that are part of the V.2020 plan, but which do not impact the budget.

Next, Deputy Director/CFO Fred James took over the presentation to explain the Fiscal Year 2016-2017 Budget. The Budget presentation, *Building for Innovation, Responsiveness and Sustainability*, includes explanations of District revenue sources and detailed notes on expenses for the General Fund, Capital Projects Fund, Special Revenue Fund and Debt Service Fund and is attached as Exhibit B. Mr. James also provided projections of future expenses and the availability of funds for anticipated future projects along with his analysis of the risks that would affect the forecast.

Highlights of the Fiscal Year 2016-2017 Budget include:

- \$66,494,000 anticipated revenue for all Funds
 - Property Tax - \$38,019,000 or 57%
 - Consolidated Sales Tax - \$20,775,000 or 31%
 - Intergovernmental Revenue - \$1,800,000 or 3%
 - Fines and Forfeits/Miscellaneous Donations - \$5,000,000 or 8%
 - This includes the proceeds of the Widmeyer Trust (\$3.1 million) once it has been transferred to the District.
 - Charges for Services \$900,000 or 1%
- \$89,187,371 anticipated expenditures for all Funds
 - General Fund - \$61,211,621 or 69%
 - Capital Projects Fund - \$14,987,000 or 17%

- Special Revenue Funds - \$5,300,000 or 6%
- Debt Service Fund - \$7,688,750 or 8%
- Library Materials Budget remains at 15% of the General Fund.
- Staffing levels have decreased by 4.13 FTEs that are currently vacant positions
- A 3% annual salary adjustment, an additional holiday (Easter) for all staff, and additional vacation leave for employees over 10 years
- No transfers from the General Fund to the Capital Projects Fund for the fiscal year, which is the first time in 10 years no transfers to this fund are being made
- Community Engagement program budgets increased to accommodate activities in newly-opened venues
- One-time costs to complete Class and Compensation Study, Facilities Master Plan, Rebranding, and Web Redesign projects
- Staff plan to maintain tight budget control processes and pursue further efficiency measures.

At the conclusion of the presentation, Mr. James asked for questions.

Trustee Ortiz asked for an example of increased legal costs. Both Mr. James and Dr. Heezen explained that employee relations issues, safety issues, patron legal issues, and finalizing the Mt. Charleston land issues are all included.

Trustee Ortiz asked what interest rate the District is paying on the outstanding medium-term bonds. Mr. James explained that the interest rates have varied from 3-4%. The contract did not allow the District to repay the bonds early, but they will be paid off in the next several years and the money was set aside a number of years ago to pay off the bonds. Ortiz commented that many entities move the problem to future years by refinancing their debt to a lower interest rate. In some cases, Ortiz continued, that works when the entity has a higher income capacity. In the District's case, paying off the debt places it in a much better position financially.

Trustee Ortiz also commented that money that makes up the Consolidated Sales Tax (CTX) revenue comes from so many different things, cigarettes, alcohol, gasoline, movies, and the big concerts. It is volatile and hard to predict. He said that the fragile global economy shows that what happens in another part of the world affects Las Vegas and Clark County very quickly.

Trustee Ortiz concluded that the budget presented by staff has been transparent. Modifications have been made by staff to correct for the decreases in revenues. The District in general continues to be relevant to the community. People continue to want District services, so continuing to develop these models of engaging the community is very good. Ortiz agrees with the budget presentation, calling it well thought out, financially sustainable, and, most importantly, it meets the needs of the public and staff. He congratulated staff on a good job.

Chair Saunders congratulated Mr. James on his prudent financial management and then asked about contingency planning should some of the forecast risks come about. Mr. James said the members of the Executive Council evaluate the District's expenses regularly. In addition, CTX is collected two months in advance which gives staff time to make some choices about the budget and provide information to the Trustees if changes are necessary. He provided an example of what happened during the period after the 9/11 attacks, in which CTX dropped so much due to the lack of travel to Las Vegas and spending by visitors, that it took several months to recover. James emphasized that the EC spent a lot of time evaluating District revenues and spending in this situation so staff have experience.

Trustee Ence moved to adopt the Final Las Vegas-Clark County Library District's Fiscal Year 2016-2017 Budget subject to any modifications as directed by Trustees and instruct staff to adjust estimated Fiscal Year 2016-2017 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, 2016 filing date. There was no opposition and the motion carried.

Discussion and possible Board action to authorize the Executive Director to sign the proposed collective bargaining agreements with Teamsters Local Union No. 14 that were voted on by the membership on May 15, 2016. (Item VIII.B.)

Human Resources Director Jerilyn Gregory explained that the Library District and Teamsters Local Union No. 14 have reached agreement on new contracts for each of the collective bargaining units. The following highlights of changes to the collective bargaining agreements (CBAs) represent what the Board has been briefed on most recently on April 14, 2016 by Ms. Gregory, and Scott Abbott, Esq., of the Kamer Zucker Abbott law firm.

Changes to the existing CBAs, which are due to expire on June 30, 2016, are as follows:

- All contracts will be for a period of one year commencing July 1, 2016 and expiring on June 30, 2017.
- Annual pay plan adjustment in wages only for all covered employees will be 3.11% for term of the contracts.
- Contracts include a concession of 0.11% which amounts to a \$37,949.49 reduction of the pay increase listed above in accordance with Senate Bill 241 (SB241) passed by the Nevada State Legislature. (Annual pay plan adjustment will become 3.0%)
- Range/classification step increases in wages for all covered employees will be 0% for the term of the contracts.
- The Library District will continue to contribute 90% of health insurance premiums based on maximum rates for single and family coverage, with eligible employees contributing the remaining 10%. Premium rates will increase \$25 per month for single coverage only and will increase \$50 per month for family coverage (\$449.52 per month for single coverage and \$1,176.51 per month for family coverage).

- Adds additional vacation time accrual (1.85 hours per pay period - approximately one week) for employees with 10 or more years of service.
- Adds provision in grievance process that a performance evaluation with an overall satisfactory or successful rating shall not be subject to the grievance, mediation, or arbitration process.
- Updated arbitrator panel to seven within contracts. Parties may mutually agree on changes to the arbitrator panel during term of contracts.
- Provides that Easter Sunday, which has been an unpaid holiday (but a day of closure) for the District, will be a paid holiday.
- Removes language indicating the District will post a job vacancy within 60 calendar days from the date of departure of the position incumbent.
- Adds language from the District's *Personnel Policies & Procedures Manual* providing for acting pay to employees who work in higher wage grades for a period of more than 20 successive working days.
- Expands the definition of immediate family members to include in-law parents, children, siblings, and grandparents for bereavement leave.
- Adds language to the Voluntary Transfer Program (Trading Spaces) providing that once the 14 day submission period has ended the District will send a system-wide email notice of all positions and locations submitted by employees. The District will then provide an additional seven calendar days from the date of the email notice for additional requests.
- Revises job classification listing for all bargaining units to account for eliminated and/or changed positions.

Trustee Moulton asked whether a staff member receiving acting pay would revert to the original pay grade once the assignment is over. Ms. Gregory said that would occur. This is a clarification to the contract, using current District practice. Gregory explained that a branch manager may resign or go on leave and this allows for the Assistant Branch Manager, for example, to receive pay at the Branch Manager level after 20 days working in the position. Once the Branch Manager returns, the Assistant Branch Manager's pay would revert to its original level.

Trustee Moulton then asked whether supervisors had any say about employees who wanted to switch positions during the Trading Spaces program. Ms. Gregory explained that each employee who wanted to switch must meet several requirements and that, since mostly it was branch staff who were interested in switching locations, she would work closely with Jennifer Schember, Library Operations Director, in making these decisions. If all things are equal, the trades are done by seniority and, once several years, ago, staff were able to participate in a three-way switch.

Trustee Ortiz asked about the Catastrophic Leave Donation Program Trustees approved earlier in the year and whether Ms. Gregory would be able to put a value to the hours donated. Ms. Gregory explained that the Catastrophic Leave program was to be inaugurated if District staff donated at least 500 hours which the District would then match by donating 500 hours. The last time Gregory checked, employees have donated over 2,000 hours. She said there is no monetary value as the District is dealing strictly in an hour to hour basis, which was allowed by the IRS.

Trustee Ortiz asked whether in the new contract there is a value for the additional accrued vacation employees would receive. Ms. Gregory reported that there are approximately 200 employees, both represented and non-represented, that would be eligible. If all the employees took all of their vacation in one year, the cost would be about \$300,000.

Trustee Moulton asked whether the Trustees approving the contract would signal the end of this negotiation process. Ms. Gregory agreed, stating that the only thing left to do would be to have both Dr. Heezen and Teamsters Secretary/Treasurer Larry Griffith sign the final agreements.

Chair Saunders recognized Ms. Gregory and outside Counsel Scott Abbott for their excellent work on negotiations.

Mr. James congratulated his Financial Services staff for their hard work and the work of Human Resources staff to determine the financial impacts of the contract.

Trustee Moulton moved to authorize the Executive Director to sign the proposed collective bargaining agreements with Teamsters Local Union No. 14 for the period of July 1, 2016 through June 30, 2017. There was no opposition and the motion carried.

Discussion and possible Board action to extend contractually agreed-to items to employees not covered by a collective bargaining agreement. (Item VIII.C.)

Ms. Gregory said that, with the approval of the collective bargaining agreements, several District policies must be updated in order to extend contractually agreed-to items so they apply to all employees, not just those covered by the agreements. These updates, summarized below, will become effective July 1, 2016.

- Annual pay plan adjustment in wages only for employees will be 3% on July 1, 2016.
- Range/classification step increases in wages for employees will be 0% for FY 2016-17.
- The Library District will continue to contribute 90% of health insurance premiums based on maximum rates for single and family coverage, with eligible employees contributing the remaining 10%. Premium rates will increase \$25 per month for single coverage only and will increase \$50 per month for family coverage (\$449.52 per month for single coverage and \$1,176.51 per month for family coverage).

- Adds additional vacation time accrual (prorated based on hours worked) for employees with 10 or more years of service.
- Adds provision in the District's *Personnel Policies & Procedures Manual*, Chapter VI: Discipline, Section F, that a performance evaluation with an overall satisfactory/successful rating shall not be subject to a grievance.
- Provides that Easter Sunday, which has been an unpaid holiday (but a day of closure) for the District, will be a paid holiday for those that are eligible for holiday pay.
- Expands the definition of immediate family members to include in-law parents, children, siblings, and grandparents for bereavement leave.
- Adds language to the Voluntary Transfer Program providing that once the 14 day submission period has ended the District will send a system-wide email notice of all positions and locations submitted by employees. The District will then provide an additional seven calendar days from the date of the email notice for additional requests.

Trustee Ortiz asked the union representatives present at the meeting to raise their hands and thanked them for making the lives of all District employees better and for their commitment and service to the District.

Trustee Moulton appreciated the clarifying language in several areas, especially to end any questions about defining relatives. Moulton commended Ms. Gregory, staff, and the negotiating team.

Trustee Wadley-Munier moved to extend these contractually agreed-to items through updating of the District's *Personnel Policies & Procedures Manual* to eligible employees not covered by a collective bargaining agreement. There was no opposition and the motion carried.

Discussion and possible Board action regarding contract award for Construction Manager at Risk (CMAR) Phase 1 - Preconstruction Services for the East Las Vegas Library and Mesquite Library projects. (Item VIII.F.)

General Services Director Steve Rice explained that funds are allocated in the Capital Projects Fund for the design and construction of the new East Las Vegas and Mesquite libraries. Staff is using Construction Manager at Risk (CMAR) as the project delivery method for construction for both projects.

Nevada Revised Statutes Chapter 338 (Public Works) provides for the use of Construction Manager at Risk (CMAR) as a method of construction contracting. CMAR is a process that allows the District to select a general contractor (the CMAR) based on qualifications versus low bid. The CMAR is selected through a qualifications-based Request for Proposals process. The resulting contracts are structured in two phases:

Phase One – Preconstruction Services: The selected CMAR will be responsible for providing preconstruction services in accordance with the requirements set forth in a contract with the District. During the preconstruction services phase, the CMAR will be required to make recommendations regarding the Project, constructability, project analysis, and feedback regarding materials, means, methods, systems,

labor, project cost, and other conditions affecting construction.

Phase Two – Construction Services: Following completion of the design and as part of the preconstruction services, the CMAR will prepare a Proposal based on the pricing criteria selected by the District and authorized under NRS 338 for the construction phase of the Project. Following any reconciliation of the CMAR and District estimates of construction costs, the District will negotiate a final guaranteed maximum price (GMP) and contract terms for a construction phase contract. The award to the CMAR of a contract for preconstruction services does not, in any manner, obligate the District to enter into a construction contract with the CMAR. If a GMP cannot be agreed upon, the District can advertise as design-bid-build.

Advantages of CMAR:

- CMAR selection is based upon qualifications.
- The District is involved in selection of CMAR team members.
- Opportunity to bring on the contractor during the design phase to work as part of an integrated team with the District and the Architect to deliver the most efficient and cost effective design.
- Promotes innovation and collaboration.
- Early CMAR involvement helps control budget and schedule.
- All work except CMAR is competitively bid.
- The District is involved in subcontractor selection.
- Greater cost certainty through a GMP and reduction in change orders.
- Ensures high quality at lowest cost.
- The District maintains decision making authority.

A Request for Proposals was advertised in the Review-Journal and community-based minority newspapers and the Invitation to Bid Notice was faxed to minority Chambers of Commerce. Proposals were received on April 11, 2016. Six proposals were received for the East Las Vegas Library project and seven for the Mesquite Library project.

As this was the first time the District is using CMAR, Mr. Rice asked representatives of several other public entities to serve as the evaluation team. They were very helpful to Mr. Rice and his team.

The evaluation team was comprised of the following individuals:

- Tressa Fernandez, Contracts Specialist, City of Las Vegas (Advisor)
- Kathy Ogle, Senior Construction Project Coordinator, City of Henderson
- Rusty Coleman, Construction Management Supervisor, City of Las Vegas
- Steve Rice, General Services Director, Las Vegas-Clark County Library District
- John Vino, Assistant General Services Director, Las Vegas-Clark County Library District
- Fred James, CFO, Las Vegas-Clark County Library District

By statute, the CMAR selection process is structured in two phases. During Phase One, and for each project, the evaluation team conducted a thorough review and ranking of the proposals based on established criteria and relative weighted scores. The five highest ranking applicants for each project were selected to continue on to the Phase 2 interview process. Interviews consisted of a presentation by each applicant and their response to a series of questions from the evaluation team. The evaluation team ranked each applicant based on established criteria and relative weighted scores. The highest ranking applicant for each project was selected for contract award.

The final applicant rankings are as follows:

East Las Vegas Library:

- 1) CORE Construction
- 2) Burke Construction Group, Inc.
- 3) Q&D Construction, Inc.
- 4) Martin Harris Construction, Inc.
- 5) Sletten Construction of Nevada, Inc.

Mesquite Library:

- 1) CORE Construction
- 2) Q&D Construction, Inc.
- 3) Burke Construction Group, Inc.
- 4) Martin Harris Construction, Inc.
- 5) Sletten Construction of Nevada, Inc.

Mr. Rice said that he feels very comfortable in recommending CORE Construction for both projects. CORE is a very reputable company, in existence for 80 years. Currently, they only do CMAR or construction management work and do not hard-bid any project. Over the last five years, Mr. Rice said, CORE has worked on approximately 50 projects in the state of Nevada for about 25 public agencies. There was a strong pool of applicants and several have worked for the District in the past.

The CMAR Phase One - Preconstruction Services contract scope of work includes:

- 1) Participation in regularly scheduled design progress review meetings with the Architect and the Owner. The CMAR provides ongoing input with respect to constructability, construction cost, construction duration, sequence of construction, and construction means and methods.
- 2) Development of review comments, suggestions, and cost estimates at each of the stipulated phases of design.
- 3) Assistance with identifying and reconciling differences between cost estimates from consultants and the CMAR.

- 4) Development of constructability and value engineering suggestions at each phase of design.
- 5) Development of potential bidders lists and coordination of input from subcontractors with regard to each of the items described in the scope of services.
- 6) Distribution of documents to potential bidders, coordination of pre-bid conferences and bid openings, and assistance with selection of the best bids in each category.
- 7) Development of a Guaranteed Maximum Price (GMP) Proposal based on bids obtained from all necessary subcontractors after reviewing and coordinating the bid results with the Owner.
- 8) Development of final CMAR constructability and value engineering suggestions.
- 9) Development of CMAR preconstruction binders.
- 10) Develop a Master Design and Construction schedule with critical decisions and milestone dates.
- 11) Provide Life Cycle cost estimating for effective evaluation of options.
- 12) Identify long lead items and procurement plan.

The terms and conditions of the Phase Two – Construction Services contracts will be presented to the Board of Trustees for approval upon completion of the Phase 1 preconstruction services.

Trustee Moulton asked if the CMAR process eliminated change orders, about which Chair Saunders also was curious. Mr. Rice explained that if the CMAR process is done correctly, it should eliminate change orders as a result of omissions or issues with design documents. There will still be change orders for owner-initiated changes.

Trustee Moulton also asked who accepts the competitively bid subcontractors. Mr. Rice said that bids are opened in front of the District, as owner, and is a very transparent process. The District can reject any subcontractors.

Trustee Ortiz said that he thought the CMAR process was transparent, as using individuals from outside agencies in the evaluation process increased the transparency.

Trustee Ortiz moved to authorize staff to award a contract to provide Construction Manager at Risk (CMAR) Phase 1 - Preconstruction Services for the East Las Vegas Library project to CORE Construction in an amount not-to-exceed \$632,500, subject to final fee negotiations, and final review of contract by Counsel. There was no opposition and the motion carried.

Trustee Ence moved to authorize staff to award a contract to provide Construction Manager at Risk (CMAR) Phase 1 - Preconstruction Services for the Mesquite Library project to CORE Construction in the amount not-to-exceed \$240,000, subject to final fee negotiations, and

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final review of contract by Counsel. There was no opposition and the motion carried.

**Announcements
(Item IX.)**

There will be a Purchasing Policy Committee Meeting at 4:30 p.m. on Thursday, June 9, 2016 at the Centennial Hills Library, 6711 N. Buffalo Dr., Las Vegas, NV 89131.

There will be a Nominating Committee Meeting at 6:00 p.m. on Thursday, June 9, 2016 at the Centennial Hills Library, 6711 N. Buffalo Dr., Las Vegas, NV 89131.

The next Board Meeting will be held Thursday, June 9, 2016 at 6:15 p.m., in the Centennial Hills Library, 6711 N. Buffalo Dr., Las Vegas, NV 89131.

**Public Comment
(Item X.)**

None.

**Executive Session
(Item XI.)**

Removed from Agenda.

**Adjournment
(Item XII.)**

Chair Saunders adjourned the meeting at 7:47 p.m.

Respectfully submitted,

Ydoleena Yturralde, Secretary

2016 ATTENDANCE

Appendix A

May 19, 2016 Regular Board Meeting

2016		January 14 Regular Board Mtg	February 11 Regular Board Mtg	March 10 Regular Board Mtg	April 14 Finance & Audit Cmte	April 14 Regular Board Mtg	May 19 Regular Board Mtg				
Bilbray-Axelrod	Shannon	A-E	P	P	P	P	A-E				
Crear	Keiba	A-E	A-E	P	P	P	P				
Drake	Marilyn	P	P	P		A-E	P				
Ence	Randy	P	P	P	P	P	P				
Melendrez	Jose	P	P	P	P	P	P				
Moulton	Sheila	P	P	A-E	P	P	P				
Ortiz	Felipe	P	P	A-E	P	P	P				
Saunders	Michael	A-E	P	P	P	P	P				
Wadley-Munier	Robin	P	A-E	P	P	P	P				
Yturralde	Ydoleena	P	P	P	A-E	A-E	A-E				

attended Committee meeting but not a member

A-E Excused Absence
 A-U Unexcused Absence

as of May 19, 2016

TENTATIVE/PROPOSED BUDGET

Fiscal Year 2016-2017



Las Vegas-Clark County Library District Proposed FY 2016-2017 Budget

Presented by

- **Dr. Ronald Heezen, Executive Director**
- **Fred James, CPA, Deputy Director/CFO**



FY 2016-2017 Budget Strategy

Building for Innovation, Responsiveness, and Sustainability

The State of the Library District:

- We remain a strong system in spite of the current, uncertain economic climate.
- We provide a focal point for education, career advancement, and social well-being in every neighborhood that we serve.



The State of the Library District:

- In spite of our current economic uncertainty, and the sea change that the library industry, in general, is experiencing, this is a time of great opportunity for library systems that choose to focus on three key areas:
 - » Innovation
 - » Responsiveness
 - » Sustainability

The State of the Library District:

- The 2016-2017 Proposed Budget continues our history of fiscal responsibility and moves us toward the innovations and new program models that are outlined in our V.2020 Plan.
- This budget also encompasses all items that were agreed to during our recent labor negotiations.

Economic Outlook: Effects of the Property Tax Cap Formula

A Brief History

- Public organizations throughout the city, the county and the **entire state** were aware that a Property Tax Cap Formula was enacted by the Nevada Legislature in 2005, when our economy was heating up and fears of inflation were very real.

Economic Outlook: Effects of the Property Tax Cap Formula

Here's how the Property Tax Cap Formula works:

- The formula starts with an annual cap of 3% on the increase in valuation of residential properties and an 8% cap on the rise in commercial property valuations.
- Additionally, the formula is tied to an annual percentage change in the Consumer Price Index (CPI) and a ten-year average of assessed property values.

Economic Outlook: Effects of the Property Tax Cap Formula

The formula was put in place by the Nevada Legislature to prevent property taxes from becoming unaffordable to homeowners during our economy's high growth years.

Unforeseen Consequences

The unforeseen consequences of this formula emerged when the economy dipped, and then dropped precipitously over several years, starting in 2008.

Unforeseen Consequences

Even though our economy and property values are now on the upswing, the CPI is now flat and the formula's ten-year average of property values is now weighted heavily by those years when the economy went south.

Unforeseen Consequences

Because there is no provision in the Tax Cap formula to stop the Property Tax Rate from dropping below a certain point, for the next two to three years, even as the economy recovers, public entities statewide will experience significant budget constraints.

The Way Forward

Given how the Property Tax Cap will affect us in the near term, staff members have asked how we will proceed with these important projects:

- Constructing two new state-of-the-art library buildings
- Implementing our V.2020 blueprint for the future

The Way Forward

These are welcome and valid questions because they address:

- Our future as an organization
- The path that we must follow to achieve our V.2020 plan, which calls for:

The Way Forward

- **Innovation** within our industry
- **Responsiveness** to the needs of the diverse neighborhoods that we serve
- **Sustainability** within our budget constraints

The Way Forward

- We WILL weather this uncertain period thanks to the leadership in this room:
 - Our Board of Trustees
 - Our Executive Council
 - Our valued Staff and Union Partners
- Austerity was a top priority in putting together this budget, which CFO Fred James will expand upon in a moment.

The Way Forward

To that point, several important highlights of the FY 2016-2017 Budget are the following:

- No new positions will be added during the next year and this budget reflects a decrease of 4.13 FTEs (from vacant positions) as compared to the FY 2015-2016 Budget.
- Several projects and initiatives have been deferred.
- Every department will feel the belt-tightening that we must implement to remain sustainable.

The Way Forward

- Regardless of these constraints, we believe that this budget moves us step-by-step closer to our V.2020 plan.
- V.2020 is a responsive new library model that reinvents and expands our roles and maintains our libraries as vibrant places for cultural, career, and community connections.

The Way Forward

- We will emerge on the other side of this economic period stronger, sustainable, and even better able to serve our diverse neighborhoods with services and programs tailored to their unique needs.

A Blueprint for Success

1) State-of-the-Art Libraries for Mesquite and East Las Vegas

- We will move from building design to construction on East Las Vegas and Mesquite in FY 2016-2017.
- Anticipated Construction Schedule:
 - Mesquite – Groundbreaking in Q1 of calendar year 2017
 - East Las Vegas – Groundbreaking in Q2 of calendar year 2017
 - Completion of both projects in 2018

1) State-of-the-Art Libraries for Mesquite and East Las Vegas

- The Capital Budget includes complete project budgets that will continue to be refined in the program and design phases.
- These buildings will activate the V.2020 model, offering programs under our four pillars of service:
 - Limitless Learning
 - Business and Career Success
 - Government and Social Services
 - Culture and Community

A Blueprint for Success

2) V.2020 Plan Implementation

We will move forward with innovations that are part of the plan but do not impact the budget:

A. Limitless Learning

- **Early Education and Family Engagement** -- Accomplished through programs like Family Place and Mind in the Making trainings; as well as partnerships with groups that specialize in young children, families, caregivers, and getting children ready for school.
- **Building Strong School Relationships** -- We will continue to support student achievement through school tours; the summertime Club Read program; new partnerships with CCSD; and after-school tutoring.

A Blueprint for Success

2) V.2020 Plan: Implementing the Four Pillars

A. Limitless Learning

- **Emphasizing the School to Career Pipeline** – The CALL program will expand the Career Online High School program. The Teen TechArt Studio program will also continue to grow learning and career path opportunities for youth in the areas of digital media productions, maker activities, the DJ studio, and coding.
- **Adult Literacy and English Language Instruction** – The CALL program continues these instructional activities, funded by grants from the Nevada Department of Education.

A Blueprint for Success

2) V.2020 Plan: Implementing the Four Pillars

B. Business and Career Success

- **New services like passport and notary services** will be rolled out in select locations.
- **Adult instruction, business development, and employment resources** will be expanded with local partners who have expertise in workforce readiness, job search, employment, and business counseling.

A Blueprint for Success

2) V.2020 Plan: Implementing the Four Pillars

C. Government & Social Services

- **Continue to offer residents greater connections to social service agencies**, offering staff training for work with high-need populations such as the homeless and returning veterans.
- **Pursue grants to conduct community assessments**, create local directories, and develop apps to help people find the services they need.
- **A major focus of our new Community Engagement department** will be to build strong alliances around community initiatives in concert with other government agencies.

A Blueprint for Success

2) V.2020 Plan: Implementing the Four Pillars

D. Culture & Community

- **Continuing as hubs for civic life and culture**, including strong and relevant programs and partnerships, expanded gallery exhibits, and participation in community events.
- **Critical to this will be funding to expand our social media, web and other media outreach** to raise the visibility of the library -- our programs, cultural offerings and resources -- and make it easier for our customers to find us.

A Blueprint for Success

3) V.2020 Planning Initiatives

This Budget contains funding for planning activities that will **lay the groundwork for our future success** in the areas of innovation, responsiveness, and sustainability, which are the bedrocks of the V.2020 plan:

- **Begin with the end in mind by launching and completing a Facilities Master Plan**, which will look at ongoing and essential building maintenance as well as renovations and funding needed to bring new services online.
- **Refining and revising the Technology Plan** to align with projects identified in V.2020 and the Facilities Master Plan, as well as responding to new technologies that we can't foresee.

3) V.2020 Planning Initiatives

- **Refining the Collection Development Plan** based on the public's use of downloadables and other materials.
- **Redesigning our Brand, Website, and Social Media** for greater visibility, engagement, and event attendance.
- **Interfacing Library Operations and Community Engagement** to develop and launch V.2020 service innovations using existing resources.
- **Support the Library Foundation's development and planning efforts to identify and secure new sources of revenue**, including grants, capital campaign naming opportunities, and New Market Tax Credits.

4) Funding the Implementation of V.2020

A. Existing Revenues

- **There is no specific "line item"** in this budget for the V.2020 plan.
- **Instead, we will begin introducing the V.2020 road map using existing revenues** to support measures that help evolve our organization.
- **These measures will include** culture change, service innovation, staff training, program and partnership development, library card and technology services, material and digital collection development, and marketing initiatives.

A Blueprint for Success

4) Funding the Implementation of V.2020

B. Future Plans

- **As funds are identified in the future**, we will pursue important V.2020 investments to our buildings and service systems.
- **These investments** will include building renovations, technology upgrades, and innovations in service models.

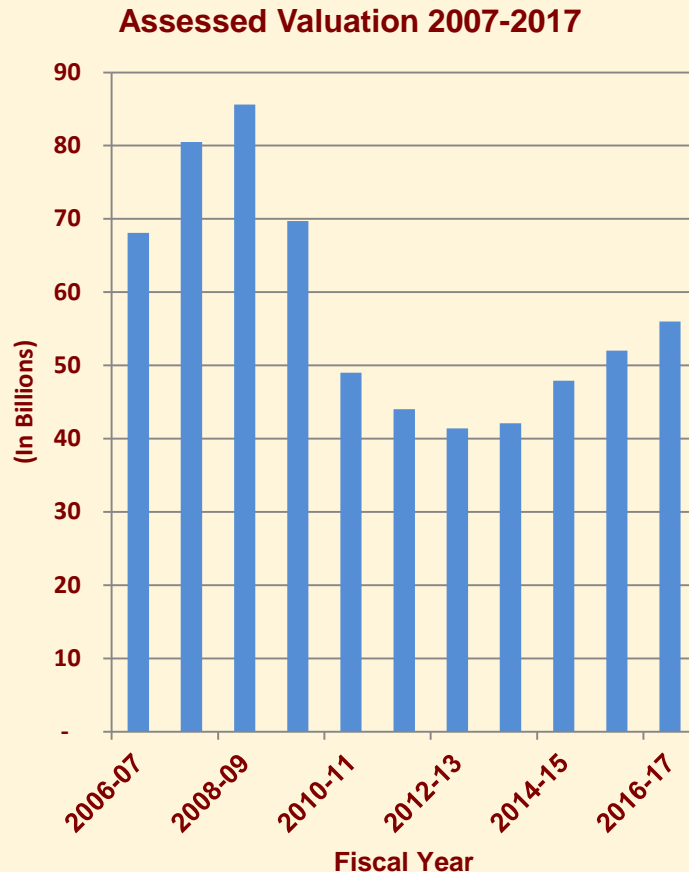
Las Vegas-Clark County Library District Proposed FY 2016-2017 Budget

**It is now my pleasure
to turn the presentation over
to
CFO Fred James**

FY 2016-2017 Budget Strategy

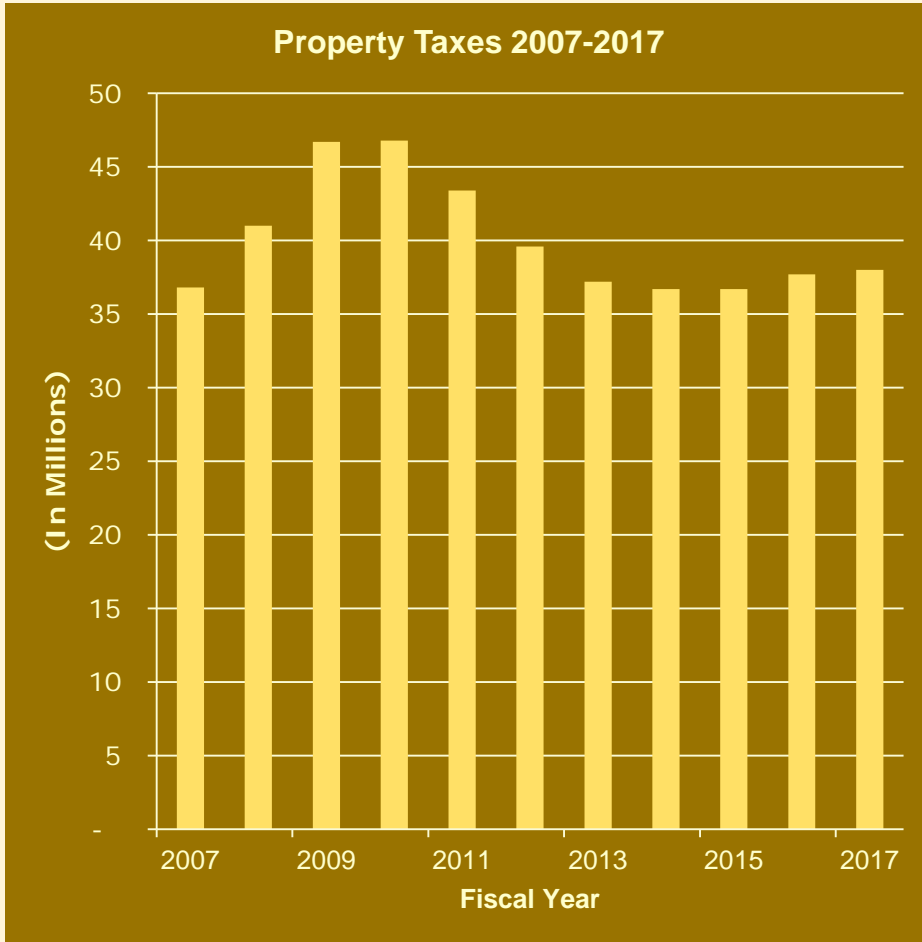
Building for Innovation,
Responsiveness, and
Sustainability

Assessed Value



- Property tax is based on assessed valuation (AV) of property
- 2016-2017 AV: \$56.2 billion, a 8.0% increase over 2015-2016 (13.8% increase)
- Property tax represents 57% of total revenues (\$38.0M)

Property Tax FYs 2007-2017



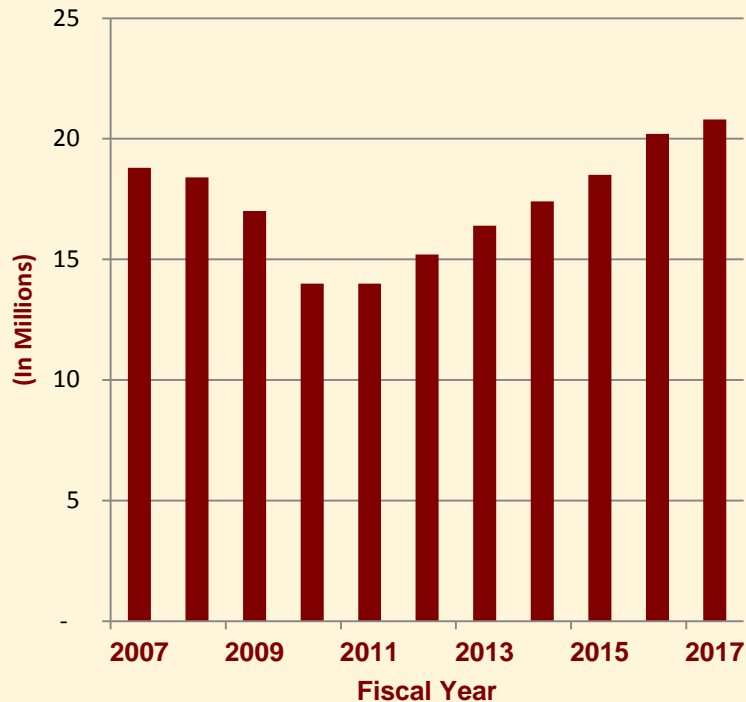
- FY 2016-17 impacted by property tax secondary formula - CPI Factor (0.1%)
- Property tax bottomed
 - FY 2017 - \$38.0M Budgeted
 - FY 2016 - \$37.7M Budgeted
 - FY 2015 - \$36.7M Actual
 - FY 2014 - \$36.7M Actual
 - FY 2013 - \$36.2M Actual
 - FY 2012 - \$39.6M Actual
 - FY 2011 - \$43.4M Actual
 - FY 2010 - \$46.8M Actual
 - FY 2009 - \$46.7M Actual
 - FY 2008 - \$41.0M Actual
 - FY 2007 - \$36.8M Actual

The District's Property Tax Bill

- Tax rate: General Fund .0942
- Total tax rate: \$.0942 per \$100 AV
- Property tax rate per \$100K pays about \$32.97 yearly or \$2.75 monthly

Consolidated Sales Tax Revenue 2007-2017

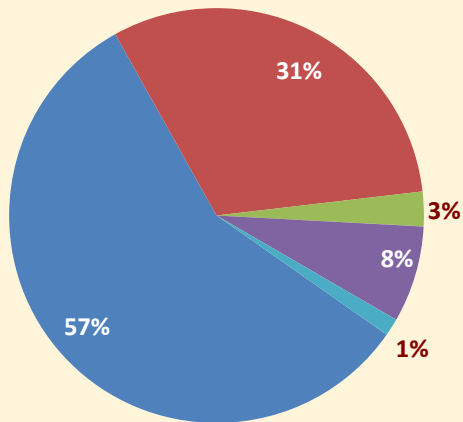
Consolidated Sales Tax Revenue 2007-2017



- CTX is a combination of City/County Relief (sales) and miscellaneous taxes distributed to most Clark County municipalities according to State formula
 - 2016-2017 estimate: \$20.8M, an increase in amount of \$0.975M
 - CTX revenue accounts for 31% of General Fund revenue, lower than the prior year
 - CTX revenue is volatile
- All other revenues account for \$7.7M
 - Fines & Forfeits, Interest, Contracts, Widmeyer Trust

Total Expected Revenues - All Funds

Total Revenues - All Funds
\$66,494,000

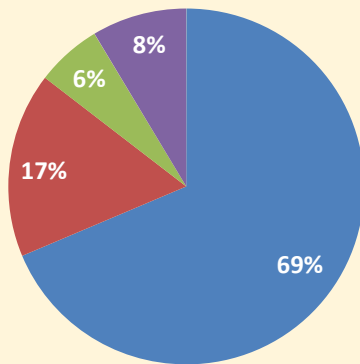


- Property Tax - \$38,019,000
- Consolidated Sales Tax - \$20,775,000
- Intergovernmental Revenue - \$1,800,000
- Fines and Forfeits/Misc. - \$5,000,000
- Charges for Services - \$900,000

- Property Tax - \$38.0M
- Consolidated Sales Tax - \$20.8M
- Intergovernmental Revenue - \$1.8M
- Fines & Forfeits/Misc. - \$5.0M
 - Includes Widmeyer Trust
- Charges for Services - \$0.9M

Total Expenditures – All Funds

Total Expenditures - All Funds
\$89,187,371



- General Fund - \$61,211,621
- Capital Projects Fund - \$14,987,000
- Special Revenue Funds - \$5,300,000
- Debt Service Fund - \$7,688,750

- General Fund - \$61.2M
- Capital Projects Fund - \$15.0M
- Special Revenue Funds - \$5.3M (Widmeyer Trust)
- Debt Service - \$7.7M

Transfers to Capital Project Fund

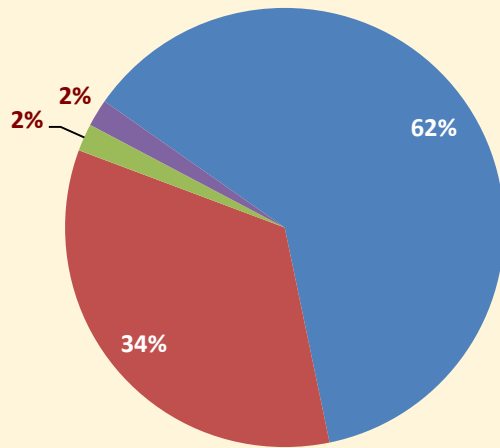
No proposed transfers from the General Fund to the **Capital Projects Fund**.

General Fund

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

General Fund Revenues

Total Revenues - \$60,929,000

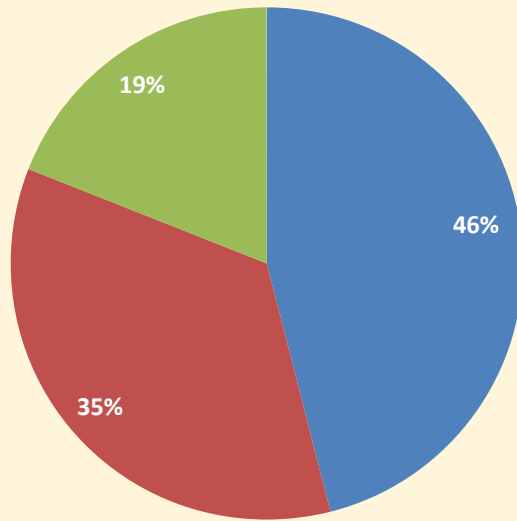


- Property Tax - 62%
- Consolidated Sales Tax - 34%
- Fines and Forfeits/Misc. - 2%
- Charges for Services - 2%

- Property Tax - \$38.0M
- Consolidated Sales Tax - \$20.8M
- Fines and Forfeits/Misc. - \$1.2M
- Charges for Services - \$.9M

General Fund – By Function

Total Expenditures by Function -
\$61,211,621



■ Program Delivery Services 46%

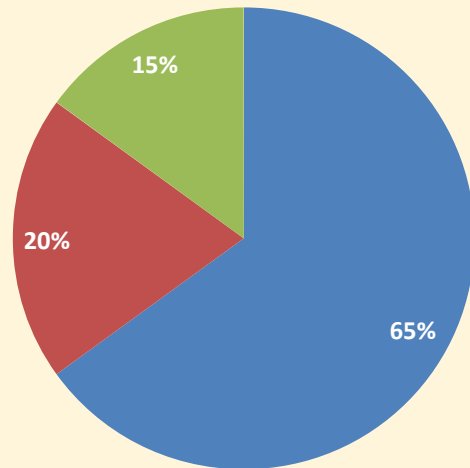
■ Program Support services 35%

■ Administrative Support Services 19%

- **Program Delivery Services - \$28.1M**
 - Library Operations Department
 - Adult & Youth Services
 - Branch Services
 - Contract Libraries Services
 - Computer Centers
 - Patron Policies and State Liaison
- **Program Support Services - \$21.3M**
 - Branding & Marketing
 - Community Engagement
 - Development & Planning
 - Information Technology
- **Administrative Support Services - \$11.8M**
 - Executive Office
 - Financial Services
 - General Services
 - Human Resources

General Fund – By Activity

Total Expenditures by Activity -
\$61,211,621



- Salaries and Benefits - 65%
- Services and Supplies - 20%
- Library Materials - 15%

- Salaries and Benefits - \$39.8M
- Services and Supplies - \$12.3M
- Library Materials - \$9.1M

Ending Fund Balance FY 2016-2017

General Fund budget includes Ending Fund Balance of \$6.5M or 10.7% of FY 2016-2017 expenditures

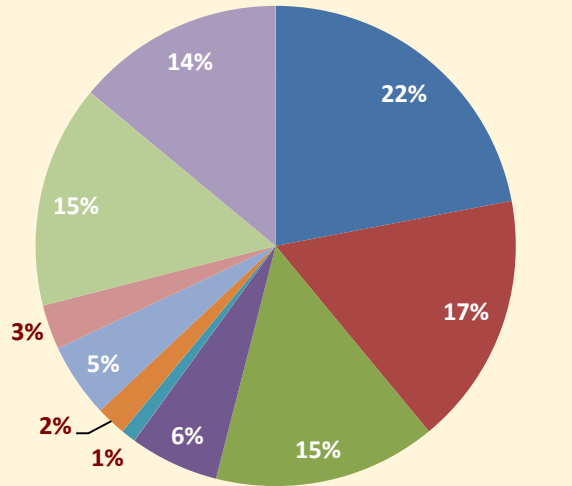
- Necessary to provide liquidity for cash outflows
- Acts as a cushion during economic downturns

Library Materials

Library Materials are considered to be one collection, which is physically and electronically borrowed by patrons.

Materials Budget

Materials Allocation
\$9,065,160



- Adult Print - 22%
- Adult Audio Visual - 17%
- Juvenile Print - 15%
- Juvenile Audio Visual - 6%
- Contract Libraries Adult Print - 1%
- Languages - 2%
- Reference - 5%
- Periodicals - 3%
- Electronic Databases and Services - 15%
- Downloadable eBooks and Media - 14%

- Adult Print - \$2,000,000
- Adult Audio Visual - \$1,595,000
- Juvenile Print - \$1,400,000
- Juvenile Audio Visual - \$550,000
- Contract Libraries Adult Print - \$54,400
- Languages - \$170,000
- Reference - \$450,000
- Periodicals - \$275,000
- Electronic Resources - \$1,332,100
- Downloadable Ebooks and Media - \$1,238,660

Capital Projects Fund

The Capital Projects Fund accounts for the acquisition, replacement or construction of major capital projects and facilities.

Capital Projects Programs

\$36.0M available resources:

- Integrated Library Systems - \$1.7M
- Technology Replacement and Upgrades - \$.9M
- Building Repair & Maintenance - \$3.6M
- Capital Construction - \$28.4M
- Vehicle Purchase & Replacement - \$0.3M
- Library Materials - \$0.3M
- Furniture Purchase & Replacement - \$0.3M
- Financial Services Program – \$0.2M
- Programming & Venues Program – \$0.3M

Capital Projects Programs Continued

- \$15.0M Budgeted Expenditures:
 - Integrated Library System Replacement - \$0M
 - Technology Replacement and Upgrades - \$1.5M
 - Building Repair and Maintenance - \$1.6M
 - Capital Construction - \$10.9M
 - Vehicle Purchase & Replacement - \$0.1M
 - Furniture Purchase & Replacement - \$0.2M
 - Financial Services Program - \$0.3M
 - Programming & Venues Program - \$0.4M
- \$21.0M Remaining Fund Balance is reserved to cover Capital Projects programs for the next 3 years

Las Vegas-Clark County Library District Capital Projects Fund Transfer and Budgeted Expenditures FY 2016-17

From General Fund to the Capital Projects Fund	06-30-2016 Est. Ending Funding Balance	2016-17 Transfers	2016-17 Budgeted Revenues	Total Available for FY 2016-17	Program Transfers	2016-17 Budgeted Expenditures	06-30-2017 Est. Ending Funding Balance
Integrated Library System Replacement Program	1,706,234		-	1,706,234	(1,706,234)	-	-
Technology Replacements & Upgrades Program	969,297		5,000	974,297	1,051,234	(1,478,500)	547,031
Building Repair & Maintenance Program	3,607,321		10,000	3,617,321		(1,603,500)	2,013,821
Vehicle Purchase & Replacement Program	573,441			573,441		(150,000)	423,441
Library Materials Program	300,000			300,000		-	300,000
Furniture Purchase & Replacement Program	460,227			460,227		(200,000)	260,227
Financial Services Program				-	265,000	(265,000)	-
Programming and Venues				-	390,000	(390,000)	-
Capital Construction Program	28,278,793		100,000	28,378,793		(10,900,000)	17,478,793
Total FY 2016-17	35,895,313	-	115,000	36,010,313	-	(14,987,000)	21,023,313

Capital Project Fund Projected Expenditures

Projected FY 2017-18 Thru FY 2021-22

-To Capital Project Fund	2016-17 Budgeted Expenditures	2017-18 Projected Expenditures	2018-19 Projected Expenditures	2019-20 Projected Expenditures	2020-21 Projected Expenditures	2021-22 Projected Expenditures
Integrated Library System Replacement Program		100,000				
Technology Replacements & Upgrades Program	1,478,500	1,400,000	1,200,000	1,200,000	1,200,000	1,200,000
Building Repair & Maintenance Program	1,603,500	1,500,000	1,900,000	1,900,000	1,900,000	1,900,000
Vehicle Purchase & Replacement Program	150,000	150,000				
Library Materials Program		400,000				
Furniture Purchase & Replacement Program	200,000	300,000				
Financial Services Program	265,000	265,000				
Programming & Venues Program	390,000	390,000				
Capital Construction Program*	10,900,000	12,800,000	-	-	-	-
Total Capital Project Expenditures	14,987,000	17,305,000	3,100,000	3,100,000	3,100,000	3,100,000
*Capital Construction Program Detail:						
East Las Vegas Library-Feb17	6,500,000	10,150,000				
Mesquite Library-Jan17	4,200,000	2,650,000				
Mt. Charleston - Purchase Access Parcel	200,000					
Branch Renovation Projects (2020 Vision Master Plan)						
Skye Canyon Gateway Library						
Total Capital Construction Program	10,900,000	12,800,000	0	0	0	0

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources, which are the Grant Fund and Gift Fund.

Special Revenue Funds

- Special Revenue - \$5.3M
 - Literacy (CALL) and Other Grants - \$1.8M
 - Donations in the Gift Fund - \$3.5M
 - Widmeyer Trust

Debt Service Fund

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

Debt Service Fund

- **\$23.0M** available resources

- **\$7.6M** - Ten-year Medium-Term Bond is payable from reserved funds established from previous transfers
 - \$22.9M Bond payable outstanding at June 30, 2016

- **\$15.4M** - Remaining fund balance is reserved to pay the outstanding bond balance over the next several years beginning FY July 1, 2017 through June 30, 2019

FY 2016-2017 Fiscal Highlights

- The Library Materials budget remains at 15% of the General Fund
- Staffing levels have decreased by 4.13 FTEs that are currently vacant positions
- Includes 3% annual salary adjustment, additional holiday (Easter) and additional vacation leave for employees over 10 years, per proposed Union contracts
- No transfers from the General Fund to the Capital Projects Fund for FY 2016-2017
- Community Engagement program budgets increased to accommodate activities in newly-opened venues
- One-time costs to complete Class and Compensation Study, Facilities Master Plan, Rebranding, and Web Redesign projects
- We will maintain tight budget control processes and further efficiency measures will be pursued

FY 2016-2017 Service Highlights

■ Innovation

- Implementation of no-cost V.2020 initiatives
- Two model building projects

■ Responsiveness

- Staffing levels and open hours are aligned with community demand
- Expansion of external WiFi in all urban branches, LA & MQ to increase neighborhood connections
- Expanded systems and patron assistance to meet demand for public computers and patron devices

■ Sustainability

- Maintain salaries and benefits at 65% of General Fund
- Continued search for efficiencies and new revenue streams

Las Vegas-Clark County Library District Budget Projections FY 2017-18 Through FY 2021-22

General Fund Revenue and Expenditures Analysis				5 Years		
	1.1860%	1.5000%	1.5000%	4.5000%	4.5000%	4.5000%
	Proposed 2016-17	Projected 2017-18	Projected 2018-19	Projected 2019-20	Projected 2020-21	Projected 2021-22
Revenue	60,929,000	61,842,935	62,770,579	65,595,255	68,547,042	71,631,658
Expenditures	61,211,621	61,349,447	62,083,781	62,306,755	62,608,514	62,916,308
Excess (Deficiency) of Revenues over Expenditures	(282,621)	493,488	686,798	3,288,500	5,938,527	8,715,350
Less transfers out						
Excess (Deficiency) of Revenues over Expenditures & Transfers Out	(282,621)	493,488	686,798	3,288,500	5,938,527	8,715,350
Fund balance, beginning of year	6,803,767	6,521,146	7,014,634	7,701,433	10,989,932	16,928,460
Fund balance, end of year	6,521,146	7,014,634	7,701,433	10,989,932	16,928,460	25,643,810
Fund balance, end of year Adjusted	6,521,146	7,014,634	7,701,433	10,989,932	16,928,460	25,643,810
	10.65%	11.43%	12.40%	17.64%	27.04%	40.76%
Capital Project Revenue and Expenditures Analysis						
Total available for the year	35,895,313	20,908,313	3,603,313	503,313	(2,596,687)	(5,696,687)
Less Budgeted/Projected Capital Expenditures	14,987,000	17,305,000	3,100,000	3,100,000	3,100,000	3,100,000
After General fund transfers at 6-30	20,908,313	3,603,313	503,313	(2,596,687)	(5,696,687)	(8,796,687)



Risks to Forecast

■ Revenue Risks

- Decline in Tourism & Spending
- Property Values Declines or remaining flat
- Impact of the Property Tax Formula – Secondary formula calculation

■ Expenditures Risks

- Increase Legal costs
- Utilities
- Security
- Legislative Mandates
 - Federal – Overtime requirements
 - State – Minimum wage increase
- Health Insurance increases – 10%

Questions?