

**NORTH LAS VEGAS LIBRARY DISTRICT
BOARD OF TRUSTEES
MEETING MINUTES**

January 26, 2010

Website - <http://www.cityofnorthlasvegas.com>

CALL TO ORDER

5:03 P.M., Council Chambers, 2200 Civic Center Drive, North Las Vegas, Nevada

ROLL CALL

PRESENT

Chairwoman Cathy Lynch
Vice Chairwoman Rita Langford
Trustee Vernie Borgersen
Trustee Aaron Hegji
Trustee Delbert Leavitt
Trustee Nona Whipple

EXCUSED

Trustee Monica Beasley

STAFF PRESENT

Assistant City Manager Sam Chambers
Library Director Kathy Pennell
Deputy City Attorney Noel Eidsmore
Assistant City Clerk Anita Sheldon
Deputy City Clerk Marie Purcell

AGENDA

1. APPROVAL OF THE NORTH LAS VEGAS LIBRARY DISTRICT BOARD OF TRUSTEES REGULAR MEETING AGENDA OF JANUARY 26, 2010.

Library Director Kathy Pennell requested that Item No. 6 be placed first under Business since it was relevant to Resolution No. 108.

ACTION: APPROVED

MOTION: Vice Chairwoman Langford
SECOND: Chairwoman Lynch
AYES: Chairwoman Lynch, Vice Chairwoman Langford, Trustees Borgersen, Hegji,
Leavitt and Whipple
NAYS: None
ABSENT: Trustee Beasley
ABSTAIN: None

BUSINESS

6. PRESENTATION ON FY2010 REVENUE PROJECTIONS AND BUDGET REDUCTION PROCESS.

Budget Manager Tom Baker explained the City Council's process for budget reduction. A City Council retreat was scheduled for February 4-5, 2010, Employee Town Hall meetings February 8-11, 2010 and City Council Town Hall Meetings for citizens during the month of February. He explained that preliminary revenue projections would be received from the State of Nevada on February 15, 2010 with additional projections on March 15, 2010. A presentation would be made to the City Council on February 17, 2010 with recommended budget reductions to balance the FY2011 budget. There was a gap of \$58.3 million in the General Fund of which \$24.9 million was identified with a remaining \$33 million needed to cover next year's budget. At the December 2, 2009 City Council Meeting a presentation was made which reviewed three scenarios relating to projected revenues for next year. The City Council adopted the Tier 2 recommendations with projected property tax revenues at a 20% decline. The Clark County Assessor's Office provided information which indicated the assessed valuation was projected to decline 33% and had a major impact to several funds. Citizens questioned why home values decreased but property taxes remained the same. He explained that due to the abatement, or cap on property taxes, home values needed to decrease to levels prior to 2004-2005 before a decline in property taxes would be seen. Citizens had a deadline of January 15, 2010 to file with the County Board of Equalization to express concerns regarding the value of property taxes.

Budget Manager Baker showed a chart of assessed valuation for the entities in the Valley which had declines of 20% or greater. He explained that the City's decline was due to the property growth in Aliante during the 2004-2006 time period with a current decrease in property values.

Preliminary estimates of property tax revenue projected an impact of \$1 - \$1.5 million to the Library District which was a serious impact to a fund that relied solely on property taxes. Funds, such as the Parks, Street Maintenance, Fire Fund and Public Safety Tax Fund relied on property taxes and would be negatively impacted for maintaining services.

Budget Manager Baker reviewed revenue considerations which included working collaboratively with State, County and Cities regarding elimination of depreciation and repeal of AB489 relating to property tax revenues. Nevada had a 1.5% annual depreciation based on assessed valuation. Another consideration was the possibility of changing the Consolidated Tax Formula. The North Las Vegas Library District was the only library in Clark County that did not receive consolidated taxes. The City of Henderson's per capita rate was \$7 per citizen. Based on the City's population of 212,000, the money the Library District would receive would be \$1.5 million. Budget Manager Baker explained that Departments were requested to review City fees and bring recommendations to the City Council in April 2010. He reviewed other cities per capita figures which showed that the City of Las Vegas received \$35 in property tax and \$12 in consolidated tax per citizen; City of Henderson received \$19 in property tax and \$7 in consolidated tax; and the City of North Las Vegas received \$18 in property tax and no money from consolidated tax.

Budget Manager Baker reviewed the Library District fund balance with figures presented to the City Council on December 2, 2009 prior to the information received projecting the 33% decline. As of January 20, 2010 the projections showed that FY2011 would have a deficit of \$900,000; FY2012 showed a deficit of \$3.4 million; and FY2013 showed a deficit of \$5.8 million. The projections were based on the current situation which included the current union contracts, existing debt on Aliante and Alexander libraries and potential savings through debt restructuring.

Budget Manager Baker reviewed debt restructuring on Aliante Library. Over a four year time period, debt restructuring would save the City \$1.9 million. He explained that the payments would decrease but the length of the loan would be extended.

Actions implemented included reduction in the book collection amount of \$100,000, elimination of vacant positions and hiring freeze on two positions. Budget Manager Baker said that Library Director Kathy Pennell recommended an additional book collection reduction of \$60,000.

Budget Manager Baker suggested that the Library Board provide direction to the Director to perform an analysis of library fees and report back to the Board by April 2010, adopt a Program Review Team Reductions for FY2010 and pursue restructuring of the Library debt.

Vice Chairwoman Langford questioned whether restructuring would still require additional book collection reductions. Budget Manager Baker said it would require the additional reductions for the long-term unless concessions were received from the unions which may assist with the gap. Director Pennell said that as part of the adopted Tier 2 recommendations, reductions were submitted to provide the projected ending fund balance. Budget Manager Baker explained there was another level of reductions that were brought forward by the Department Directors which were the most drastic, involved staffing and was a last resort. Trustee Hegji confirmed that the restructuring would involve decreased payments for a longer length of time. Budget Manager Baker said from an interest rate standpoint, it would be favorable. The interest rate on the current loan was 4.56% and anticipated a new interest rate of 4% - 4.5%. Resolution No. 108 capped the interest rate at 5%.

ACTION: PRESENTATION MADE

2. PUBLIC HEARING FOR THE INTENTION TO AUTHORIZE MEDIUM-TERM OBLIGATIONS BY THE NORTH LAS VEGAS LIBRARY DISTRICT.

Chairwoman Lynch opened the public hearing.

Bob Borgersen, 7617 Island Rail Drive, North Las Vegas, explained that if \$3,200,000 was borrowed and paid back yearly in the amount of \$497,500, it would cost the City \$1,775,000 at the end of the ten-year period. Budget Manager Baker said he obtained the debt schedule originally presented by Bond Counsel which was \$2.9 million and the one presented to the Library Board was the final number of \$3.2 million. The additional cost to the City between the two debts (the first debt with a remaining six years and restructuring the debt) would be \$500,000.

ACTION: PUBLIC HEARING HELD

3. RESOLUTION NO. 108; A RESOLUTION AUTHORIZING MEDIUM-TERM

OBLIGATIONS IN AN AMOUNT OF UP TO \$3,200,000 FOR THE PURPOSE OF REFUNDING THE "NORTH LAS VEGAS LIBRARY DISTRICT, NEVADA, GENERAL OBLIGATION (LIMITED TAX) MEDIUM-TERM BONDS, SERIES 2004"; DIRECTING THE OFFICERS OF THE DISTRICT TO FORWARD MATERIALS TO THE DEPARTMENT OF TAXATION OF THE STATE OF NEVADA; AND PROVIDING THE EFFECTIVE DATE HEREOF.

Resolution No. 108 as introduced by the Library Director:

RESOLUTION NO. 108; A RESOLUTION AUTHORIZING MEDIUM-TERM OBLIGATIONS IN AN AMOUNT OF UP TO \$3,200,000 FOR THE PURPOSE OF REFUNDING THE "NORTH LAS VEGAS LIBRARY DISTRICT, NEVADA, GENERAL OBLIGATION (LIMITED TAX) MEDIUM-TERM BONDS, SERIES 2004"; DIRECTING THE OFFICERS OF THE DISTRICT TO FORWARD MATERIALS TO THE DEPARTMENT OF TAXATION OF THE STATE OF NEVADA; AND PROVIDING THE EFFECTIVE DATE HEREOF.

ACTION: PASSED AND ADOPTED

MOTION: Vice Chairwoman Langford

SECOND: Trustee Whipple

AYES: Chairwoman Lynch, Vice Chairwoman Langford, Trustees Borgersen, Hegji, Leavitt and Whipple

NAYS: None

ABSENT: Trustee Beasley

ABSTAIN: None

4. APPROVAL OF NORTH LAS VEGAS DISTRICT BOARD OF TRUSTEES SPECIAL MEETING MINUTES OF OCTOBER 8, 2009.

ACTION: APPROVED AS AMENDED; MEETING ADJOURNED AT 7:21 P.M.

MOTION: Chairwoman Lynch

SECOND: Vice Chairwoman Langford

AYES: Chairwoman Lynch, Vice Chairwoman Langford, Trustees Borgersen, Hegji, Leavitt and Whipple

NAYS: None

ABSENT: Trustee Beasley

ABSTAIN: None

5. APPROVAL OF NORTH LAS VEGAS LIBRARY DISTRICT BOARD OF TRUSTEES REGULAR MEETING MINUTES OF NOVEMBER 17, 2009.

ACTION: APPROVED

MOTION: Trustee Borgersen

SECOND: Chairwoman Lynch

AYES: Chairwoman Lynch, Vice Chairwoman Langford, Trustees Borgersen, Hegji, Leavitt and Whipple

NAYS: None

ABSENT: Trustee Beasley

ABSTAIN: None

STAFF REPORT

There was no report.

BOARD ITEMS

Director Pennell explained there would be a new heading, Board Items, on the Library Board agenda regarding items that the Board wanted on future agendas or direction for minor issues. She explained that no action could be taken on any items discussed under Board Items.

Trustee Hegji requested discussion regarding Library Board suggestions for assistance in generating revenue and reviewing Library assets that can be used for revenue as suggested by Mr. Sumek at the Library Board retreat. He requested an overview of the Library Board limitations and the process to petition the Legislature regarding consolidated tax funding. Director Pennell suggested that a presentation be given on the Legislative process by City Clerk Karen Storms. Vice Chairwoman Langford asked if the Library Board could petition the lawmakers. Director Pennell said the Library Board needed to work together with the City Council and not be on opposing ends. Assistant City Manager Sam Chambers said the Legislative Affairs Committee would determine the City's strategy relative to a lobbying position. The strategy and the lobbyists were not finalized. Before the Library Board acted individually, an understanding of the City Council's position was needed. He explained that the position needed to be relayed to the lobbyists and the Library Board had to act in conjunction with the City Council. Assistant City Manager Chambers recommended that the Library Board obtain a historical prospective on consolidated taxes. The North Las Vegas Library District was the only library in the State

that did not receive consolidated taxes. There was a political history behind the reasons

and strategic lobbying was needed by the City. The State's position, relative to revenue was not favorable with a \$3.4 billion deficit. He said there would be several entities requesting funding and a change in the way the State operated.

PUBLIC FORUM

There was no public participation.

ADJOURNMENT

ACTION: THE MEETING ADJOURNED AT 5:34 P.M.

MOTION: Chairwoman Lynch

SECOND: Trustee Hegji

AYES: Chairwoman Lynch, Vice Chairwoman Langford, Trustees Borgersen, Hegji, Leavitt and Whipple

NAYS: None

ABSENT: Trustee Beasley

ABSTAIN: None

APPROVED: March 23, 2010

/s/ Cathy Lynch
Cathy Lynch, Chairwoman

ATTEST:

/s/ Karen L. Storms
Karen L. Storms, CMC
City Clerk