

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

March 23, 2010

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

CALL TO ORDER

5:01 P.M., Council Chambers, 2200 Civic Center Drive, North Las Vegas, Nevada

ROLL CALL

PRESENT

Chairwoman Cathy Lynch
Trustee Monica Beasley
Trustee Vernie Borgersen
Trustee Aaron Hegji
Trustee Delbert Leavitt
Trustee Nona Whipple

EXCUSED

Vice Chairwoman Rita Langford

STAFF PRESENT

Assistant City Manager Sam Chambers
City Clerk Karen L. Storms
Library Director Kathy Pennell
Deputy City Attorney Noel Eidsmore
Finance Director Phil Stoeckinger
Assistant City Clerk Anita Sheldon

WELCOME

Chairman Cathy Lynch

VERIFICATION

Karen L. Storms, CMC
City Clerk

AGENDA

1. APPROVAL OF THE NORTH LAS VEGAS LIBRARY DISTRICT BOARD OF TRUSTEES REGULAR MEETING AGENDA OF MARCH 23, 2010.

ACTION: APPROVED

MOTION: Trustee Whipple

SECOND: Chairman Lynch

AYES: Chairwoman Lynch, Trustees Beasley, Borgersen, Leavitt and Whipple

NAYS: None

ABSENT: Vice Chairwoman Langford

ABSTAIN: None

BUSINESS

2. PRESENTATION BY CITY CLERK KAREN L. STORMS, CMC, REGARDING THE 2011 LEGISLATIVE SESSION PROCESS.

City Clerk Karen Storms gave a presentation on the legislative process. She explained the State Legislature met February through June in the odd years. City Clerk Storms stated the City of North Las Vegas also had a Legislative Affairs Committee which met to develop a platform to present to the City Council for approval. This allowed for a common message from everyone when speaking to the press, the public and with legislators.

The City of North Las Vegas was allowed three bill draft requests per session. Trustee Whipple questioned whether the issue of consolidated taxes for the Library District would be discussed at the Legislative Session. City Clerk Storms said she spoke with Director Pennell and the Legislative Affairs Committee who indicated the issue would be brought up but she did not know where it would be placed on the priority list. Assistant City Manager Sam Chambers explained that the City requested consolidated tax funds for several years. When the formula was developed, Las Vegas/Clark County Library District and the City of Henderson received the majority of the money. Prior to the population growth, the City of North Las Vegas was smaller than the other entities. The money was allocated based on political strength. He explained the City was still in the same situation. The issue of changing the formula for consolidated tax was discussed with a Legislator. Assistant City Manager Chambers was told if the formula was changed, money would need to be taken

from one of the other entities. The City needed to build their own base, from an economic development standpoint, and generate additional monies which may result in a change to the formula. He explained that the consolidated tax formula was complex. City Clerk Storms explained there were two issues related to consolidated taxes; the City's disproportionate share and the fact that the Library received no consolidated tax at all. Finance Director Phil Stoeckinger explained that the consolidated taxes came from the same place. There were six revenue sources that made up consolidated taxes. He explained that 85% was made up of sales tax which was allocated on a county by county basis. The Library District never received consolidated taxes and would not receive the money unless legislation was enacted. Director Pennell confirmed that if the Library District received consolidated taxes, the money would come from a portion of the taxes distributed to Las Vegas/Clark County Library District and the City of Henderson. Director Stoeckinger explained that in past legislation, the City of Henderson received a base adjustment. Director Pennell said it was her understanding when the Library District was formed, the Legislators said they would never allow anyone else to share into the consolidated taxes, but since then allowed other entities in the distribution. Director Stoeckinger explained there were other townships formed since that point in time. In other areas, there was sizable growth which resulted in the formation of additional townships. Chairman Lynch questioned whether it would be helpful for the Library Board to attend a City Council Meeting to request that the Library consolidated tax issue be discussed as part of the legislative options. Assistant City Manager Chambers said the Board could attend a meeting, but he felt consolidated tax would be a part of the City's Legislative agenda.

Bob Borgersen, 7617 Island Rail Way, North Las Vegas, said that the consolidated tax formula was based on population years ago and felt that since the City grew, the share should be larger. He felt the media should inform the public of the lack of money provided to the Library District regarding their share of the library money, sales tax and other funding. Mr. Borgersen said he spoke with Assemblywoman Marilyn Kirkpatrick who said the City received ten cents of every dollar for the library. He recommended that Finance Director Stoeckinger contact Assemblywoman Kirkpatrick regarding the City's entitlement to funding and possible retroactive funds. Director Pennell stated when the Library District was created, an opportunity was provided to tax at the same rate as Las Vegas/Clark County Library District regarding property tax. She explained at the time the rate was six cents per dollar but Las Vegas/Clark County Library District increased their rate to ten cents and that was possibly the funding Assemblywoman Kirkpatrick referred to.

ACTION: PRESENTATION MADE

3. APPROVAL OF NORTH LAS VEGAS LIBRARY DISTRICT BOARD OF TRUSTEES REGULAR MEETING MINUTES OF JANUARY 26, 2010.

ACTION: APPROVED

MOTION: Trustee Borgersen

SECOND: Trustee Hegji

AYES: Chairwoman Lynch, Trustees Beasley, Borgersen, Hegji, Leavitt and Whipple

NAYS: None

ABSENT: Vice Chairwoman Langford

ABSTAIN: None

4. DISCUSSION AND/OR ACTION REGARDING AN ANALYSIS OF LIBRARY DISTRICT FEES.

Director Pennell explained that the Library Board requested that Staff perform an analysis of fees and fines currently imposed. The fees and fines were compared to other area Library Districts and were in line with the other districts. Printing costs remained at the same price as 20 years prior. Director Pennell had no recommendations for increased fees. Chairwoman Lynch questioned the meeting room fee of \$200 per day for commercial groups as compared to Las Vegas/Clark County Library District fee of \$150 for the first two hours and \$50 for each additional hour. She questioned the benefits of charging per day versus per hour and the number of hours the groups met. Director Pennell said the fee for commercial group use was \$200 for five hours or more. With the reduction in library operating hours, she expected the revenues from the room usage to decline. At Aliante Library, the room rental was 1500 hours per month; at Alexander Library, the room rental was 1000 hours per month; and minimal use at the Main Library. She expected a decrease in room rental since the library would be closing at 8 p.m.

ACTION: DISCUSSION HELD

5. DISCUSSION AND/OR ACTION REGARDING A PROPOSED AMNESTY PROGRAM TO BE HELD DURING NATIONAL LIBRARY WEEK, APRIL 11 - 16, 2010.

Director Pennell explained that during the past few years, the Library District joined with the Las Vegas/Clark County Library District and the City of Boulder City Library to enact an Amnesty Week which eliminated fees from library accounts in an amount not to exceed \$25. The intent was to allow citizens to return library materials without fines imposed.

Director Pennell explained if fines were greater than \$25, the individual was required to clear the account. Trustee Beasley questioned the average amount of fees waived. Director Pennell said she did not have the amount since the report was generated from the Las Vegas/Clark County Library District, but explained the number of books returned was worth the amount of fines waived.

ACTION: APPROVED

MOTION: Chairwoman Lynch

SECOND: Trustee Hegji

AYES: Chairwoman Lynch, Trustees Beasley, Borgersen, Hegji, Leavitt and Whipple

NAYS: None

ABSENT: Vice Chairwoman Langford

ABSTAIN: None

6. **RESOLUTION NO. 109; A RESOLUTION DESIGNATED BY THE SHORT TITLE "2010 REFUNDING BOND RESOLUTION"; PROVIDING FOR THE ISSUANCE BY THE NORTH LAS VEGAS LIBRARY DISTRICT OF ITS GENERAL OBLIGATION (LIMITED TAX) MEDIUM-TERM REFUNDING BOND, SERIES 2010; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BOND AND THE SALE THEREOF; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF THE BOND; REPEALING RESOLUTION NO. 107 ADOPTED ON NOVEMBER 17, 2009; AND RATIFYING ACTION PREVIOUSLY TAKEN AND PERTAINING TO THE FOREGOING BY THE DISTRICT AND ITS OFFICERS AND EMPLOYEES.**

Resolution No. 109 as introduced by the Library Director:

A RESOLUTION DESIGNATED BY THE SHORT TITLE "2010 REFUNDING BOND RESOLUTION"; PROVIDING FOR THE ISSUANCE BY THE NORTH LAS VEGAS LIBRARY DISTRICT OF ITS GENERAL OBLIGATION (LIMITED TAX) MEDIUM-TERM REFUNDING BOND, SERIES 2010; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BOND AND THE SALE THEREOF; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF THE BOND; REPEALING RESOLUTION NO. 107 ADOPTED ON NOVEMBER 17, 2009; AND RATIFYING ACTION PREVIOUSLY

TAKEN AND PERTAINING TO THE FOREGOING BY THE
DISTRICT AND ITS OFFICERS AND EMPLOYEES.

Finance Director Phil Stoeckinger explained that Bank of America submitted a proposal for a 4 3/8% interest rate which was less than previously indicated. From a cost standpoint, there was a savings of \$2 million over the next five years for the Library District. Since the length of the loan was extended for an additional five - six years, the interest would be paid over a longer period at a cost of \$700,000 for the next ten years. The net present value loss was \$62,000. Director Pennell said the City Council questioned whether there was a possibility for pre-payment should the City's financial situation improve. Director Stoeckinger said if the City was successful during the upcoming Legislative Session with a consolidated tax adjustment, or if the economy improved, opportunities could be available for refinancing at lower interest rates so the debt would not be paid over a long period of time. Chairwoman Lynch asked if pre-payment penalties applied. Director Stoeckinger explained typically, there were pre-payment penalties, but since the loan was a private placement no penalties applied. Director Pennell read changes to Resolution No. 109 into the record:

On page 18, Section 35, fourth sentence - the word "irrevocably" was added and read as follows: "There shall be deemed to be such due payment when the District has irrevocably placed in escrow or in trust with a trust bank located within or without the state an amount sufficient including the known minimum yield available for such purposes from bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal of and interest on which are unconditionally guaranteed by the United States ("Federal Securities") in which such amount may be initially invested wholly or in part to meet all bond requirements as the same become due."

On page 19, the last sentence of Section 35 - add "and a "trust bank" shall be a national banking association located in the United States or a state bank or trust company organized under the laws of a state of the United States, qualified as a depository of public funds."

Director Pennell explained that additional sections were added and included:

- Section 37. Events of Default.
- Section 38. Remedies for Default.
- Section 39. Bond Owners Remedies.
- Section 40. Right to Enforce Payment.
- Section 41. Replacement of Registrar or Paying Agent
- Section 42. Fees and Costs of Enforcement of Remedies.

ACTION: PASSED AND ADOPTED AS AMENDED; AMENDMENTS AS FOLLOWS:

SECTION 35. DEFEASANCE AMENDED TO READ AS FOLLOWS:

WHEN ALL BOND REQUIREMENTS HAVE BEEN DULY PAID, THE PLEDGE, LIEN AND ALL OBLIGATIONS HEREUNDER SHALL THEREBY BE DISCHARGED AND THE BOND SHALL NO LONGER BE DEEMED TO BE OUTSTANDING WITHIN THE MEANING OF THIS RESOLUTION. THERE SHALL BE DEEMED TO BE SUCH DUE PAYMENT WHEN THE DISTRICT HAS IRREVOCABLY PLACED IN ESCROW OR IN TRUST WITH A TRUST BANK LOCATED WITHIN OR WITHOUT THE STATE AN AMOUNT SUFFICIENT (INCLUDING THE KNOWN MINIMUM YIELD AVAILABLE FOR SUCH PURPOSES FROM BILLS, CERTIFICATES OF INDEBTEDNESS, NOTES, BONDS OR SIMILAR SECURITIES WHICH ARE DIRECT OBLIGATIONS OF, OR THE PRINCIPAL OF AND INTEREST ON WHICH ARE UNCONDITIONALLY GUARANTEED BY THE UNITED STATES ("FEDERAL SECURITIES") IN WHICH SUCH AMOUNT MAY BE INITIALLY INVESTED WHOLLY OR IN PART TO MEET ALL BOND REQUIREMENTS AS THE SAME BECOME DUE. THE FEDERAL SECURITIES SHALL BECOME DUE BEFORE THE RESPECTIVE TIMES ON WHICH THE PROCEEDS THEREOF SHALL BE NEEDED IN ACCORDANCE WITH A SCHEDULE ESTABLISHED AND AGREED UPON BETWEEN THE DISTRICT AND THE BANK AT THE TIME OF THE CREATION OF THE ESCROW OR TRUST, OR THE FEDERAL SECURITIES SHALL BE SUBJECT TO REDEMPTION AT THE OPTION OF THE HOLDERS THEREOF TO ASSURE AVAILABILITY AS NEEDED TO MEET THE SCHEDULE. FOR THE PURPOSE OF THIS SECTION, "FEDERAL SECURITIES" SHALL INCLUDE ONLY FEDERAL SECURITIES WHICH ARE NOT CALLABLE FOR REDEMPTION PRIOR TO THEIR MATURITIES EXCEPT AT THE OPTION OF THE OWNER THEREOF, AND A "TRUST BANK" SHALL BE A NATIONAL BANKING ASSOCIATION LOCATED IN THE UNITED STATES OR A STATE BANK OR TRUST COMPANY ORGANIZED UNDER THE LAWS OF A STATE OF THE UNITED STATES, QUALIFIED AS A DEPOSITORY OF PUBLIC FUNDS.

ADD:

SECTION 37. EVENTS OF DEFAULT. EACH OF THE FOLLOWING EVENTS IS HEREBY DECLARED AN "EVENT OF DEFAULT" UNDER THIS RESOLUTION:

- A. NONPAYMENT OF PRINCIPAL. PAYMENT OF THE PRINCIPAL OF THE BONDS, SHALL NOT BE MADE WHEN THE SAME SHALL

BECOME DUE AND PAYABLE, EITHER A MATURITY OR OTHERWISE;

- B. NONPAYMENT OF INTEREST. PAYMENT OF ANY INSTALLMENT OF INTEREST SHALL NOT BE MADE WHEN THE SAME BECOMES DUE AND PAYABLE;
- C. INCAPABLE TO PERFORM. THE DISTRICT SHALL FOR ANY REASON BE RENDERED INCAPABLE OF FULFILLING ITS OBLIGATIONS HEREUNDER;
- D. NONPERFORMANCE OF DUTIES. THE DISTRICT SHALL HAVE FAILED TO CARRY OUT AND, TO PERFORM (OR IN GOOD FAITH TO BEGIN THE PERFORMANCE OF) ALL ACTS AND THINGS LAWFULLY REQUIRED TO BE CARRIED OUT OR TO BE PERFORMED BY IT UNDER THE RESOLUTION, AND SUCH FAILURE SHALL CONTINUE FOR SIXTY (60) DAYS AFTER RECEIPT OF NOTICE FROM THE REGISTERED OWNER OF THE BONDS.
- E. APPOINTMENT OF RECEIVER. AN ORDER OR DECREE SHALL BE ENTERED BY A COURT OF COMPETENT JURISDICTION WITH THE CONSENT OR ACQUIESCENCE OF THE DISTRICT APPOINTING A RECEIVER OR RECEIVERS FOR THE DISTRICT AND ITS FINANCES, OR IF AN ORDER OR DECREE HAVING BEEN ENTERED WITHOUT THE CONSENT OR ACQUIESCENCE OF THE DISTRICT, SHALL NOT BE VACATED OR DISCHARGED OR STAYED ON APPEAL WITHIN SIXTY (60) DAYS AFTER ENTRY; AND
- F. MATERIAL MISREPRESENTATION. THE DISTRICT SHALL HAVE MADE ANY MATERIALLY FALSE OR MISLEADING STATEMENTS OR OMITTED TO STATE MATERIAL INFORMATION WITH RESPECT TO THE SALE OF THE BONDS.
- G. DEFAULT OF ANY PROVISION. THE DISTRICT SHALL HAVE MADE OR SHALL DEFAULT IN THE DUE AND PUNCTUAL PERFORMANCE OF ANY OTHER OF THE REPRESENTATIONS, COVENANTS, CONDITIONS, AGREEMENTS AND OTHER PROVISIONS CONTAINED IN THE BONDS OR IN THE RESOLUTION ON ITS PART TO BE PERFORMED, AND IF SUCH

DEFAULT SHALL CONTINUE FOR SIXTY (60) DAYS AFTER WRITTEN NOTICE SPECIFYING SUCH DEFAULT AND REQUIRING THE SAME TO BE REMEDIED SHALL HAVE BEEN GIVEN TO THE DISTRICT BY THE REGISTERED OWNER OF THE BONDS.

ADD:

SECTION 38. REMEDIES FOR DEFAULT. UPON THE HAPPENING AND CONTINUANCE OF ANY OF THE EVENT OF DEFAULT, AS PROVIDED IN SECTION 37 HEREOF, THEN AND IN EVERY CASE THE REGISTERED OWNER OF THE BOND, INCLUDING, WITHOUT LIMITATION, A TRUSTEE OR TRUSTEES THEREFORE: MAY PROCEED AGAINST THE DISTRICT AND ITS AGENTS, OFFICERS AND EMPLOYEES TO PROTECT AND TO ENFORCE THE RIGHTS OF THE REGISTERED OWNER OF BOND UNDER THE RESOLUTION BY MANDAMUS OR BY OTHER SUIT, ACTION OR SPECIAL PROCEEDINGS IN EQUITY OR AT LAW, IN ANY COURT OF COMPETENT JURISDICTION, EITHER FOR THE APPOINTMENT OF A RECEIVER OR FOR THE SPECIFIC PERFORMANCE OF ANY COVENANT OR AGREEMENT CONTAINED HEREIN OR IN AN AWARD OF EXECUTION OF ANY POWER HEREIN GRANTED FOR THE ENFORCEMENT OF ANY PROPER, LEGAL OR EQUITABLE REMEDY AS SUCH REGISTERED OWNER MAY DEEM MOST EFFECTUAL TO PROTECT AND TO ENFORCE THE RIGHTS AFORESAID, OR THEREBY TO ENJOIN ANY ACT OR THING WHICH MAY BE UNLAWFUL OR IN VIOLATION OF ANY RIGHT OF THE OWNER OF THE BOND, OR TO REQUIRE THE DISTRICT TO ACT AS IF IT WERE THE TRUSTEE OF AN EXPRESSED TRUST, OR ANY COMBINATION OF SUCH REMEDIES. ALL SUCH PROCEEDINGS AT LAW OR IN EQUITY SHALL BE INSTITUTED, HAD AND MAINTAINED FOR THE EQUAL BENEFIT OF THE REGISTERED OWNER OF THE BOND. DURING AN EVENT OF DEFAULT THE INTEREST RATE ON THE BOND SHALL BEAR INTEREST AT THE INTEREST RATE FOR THE BOND SET FORTH IN THE CERTIFICATE OF THE CHIEF FINANCIAL OFFICER FOR THE EVENT OF A NONPAYMENT OF PRINCIPAL OR INTEREST.

ADD:

SECTION 39. BONDOWNER'S REMEDIES. THE REGISTERED OWNER OF THE BOND SHALL BE ENTITLED TO ALL OF THE PRIVILEGES, RIGHTS AND REMEDIES PROVIDED HEREIN, IN THE PROJECT ACT, THE BOND ACT, THE SUPPLEMENTAL BOND ACT AND THE RESOLUTION, AND AS OTHERWISE PROVIDED OR PERMITTED AT LAW OR IN EQUITY OR BY OTHER STATUTE.

ADD:

SECTION 40. RIGHT TO ENFORCE PAYMENT. NOTHING IN THIS ARTICLE AFFECTS OR IMPAIRS THE RIGHTS OF THE OWNER OF THE BOND ISSUED HEREUNDER TO ENFORCE THE PAYMENT OF THE BOND REQUIREMENTS OF THE BOND OR THE OBLIGATION OF THE DISTRICT TO PAY THE BOND REQUIREMENTS OF THE BOND TO THE OWNER THEREOF AT THE TIME AND THE PLACE EXPRESSED IN THE BOND.

ADD:

SECTION 41. REPLACEMENT OF REGISTRAR OR PAYING AGENT. THE FAILURE OF THE REGISTERED OWNER OF THE BOND TO PROCEED IN ANY MANNER HEREIN PROVIDED SHALL NOT RELIEVE THE DISTRICT, THE BOARD, OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES OF ANY LIABILITY FOR FAILURE TO PERFORM OR CARRY OUT ANY DUTY, OBLIGATION OR OTHER COMMITMENT. EACH RIGHT OR PRIVILEGE OF ANY SUCH OWNER IS IN ADDITION AND IS CUMULATIVE TO ANY OTHER RIGHT OR PRIVILEGE, AND THE EXERCISE OF ANY RIGHT OR PRIVILEGE BY OR ON BEHALF OF ANY OF THEM SHALL NOT BE DEEMED A WAIVER OF ANY OTHER RIGHT OR PRIVILEGE THEREOF.

ADD:

SECTION 42. FEES AND COSTS OF ENFORCEMENT OF REMEDIES. THE DISTRICT SHALL ALSO BE RESPONSIBLE FOR THE REASONABLE FEES AND COSTS, INCLUDING ATTORNEY'S FEES, OF THE REGISTERED OWNER OF THE BOND INCLUDING, WITHOUT LIMITATION, A TRUSTEE OR TRUSTEES THEREFORE, AND ANY RECEIVER INCURRED IN THE ENFORCEMENT OF THE REMEDIES IN THE EVENT OF DEFAULT BY THE DISTRICT.

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

STAFF REPORT

Director Pennell said Trustee Hegji questioned the role of the Library Board and parameters of power. Deputy City Attorney Noel Eidsmore would provide the information to the Board at the next meeting.

BOARD ITEMS

There were no additional items.

PUBLIC FORUM

There was no public participation.

ADJOURNMENT

ACTION: THE MEETING ADJOURNED AT 5:27 P.M.

MOTION: Chairwoman Lynch

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

APPROVED: July 27, 2010

/s/ Rita Langford
Cathy Lynch, Chairwoman

ATTEST:

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