

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

March 26, 2013

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

CALL TO ORDER

5:05 P.M., Council Chambers, 2250 Las Vegas Boulevard North, North Las Vegas,
Nevada

ROLL CALL

PRESENT

Chairwoman Rita Langford
Vice Chairman Delbert Leavitt
Trustee Vernie Borgersen
Trustee Julie Rose
Trustee Nona Whipple

EXCUSED

Trustee Cathy Lynch
Trustee Willie Stewart

WELCOME

Chairwoman Rita Langford

VERIFICATION

Karen L. Storms, CMC
City Clerk

PUBLIC FORUM

There was no public participation.

AGENDA

1. APPROVAL OF THE NORTH LAS VEGAS LIBRARY DISTRICT BOARD OF TRUSTEES REGULAR MEETING AGENDA OF MARCH 26, 2013. (FOR POSSIBLE ACTION)

ACTION: APPROVED

MOTION: Trustee Borgersen

SECOND: Trustee Whipple

AYES: Chairwoman Langford, Vice Chairman Leavitt, Trustees Borgersen, Rose and Whipple

NAYS: (None)

ABSTAIN: (None)

ABSENT: Trustees Lynch and Stewart

BUSINESS

2. APPROVAL OF REGULAR LIBRARY DISTRICT BOARD OF TRUSTEES MEETING MINUTES OF NOVEMBER 27, 2012. (FOR POSSIBLE ACTION)

ACTION: APPROVED

MOTION: Trustee Borgersen

SECOND: Trustee Rose

AYES: Chairwoman Langford, Vice Chairman Leavitt, Trustees Borgersen, Rose and Whipple

NAYS: (None)

ABSTAIN: (None)

ABSENT: Trustees Lynch and Stewart

3. PRESENTATION OF THE PROPOSED TENTATIVE NORTH LAS VEGAS LIBRARY DISTRICT BUDGET FOR FISCAL YEAR 2013/2014.

Budget Manager Dave Empey presented a financial update and review of FY2013 and the tentative budget for FY2013-2014.

Manager Empey explained the most significant resource to the Library District was property taxes. He said property valuations decreased over the past several years. The impact of decrease property valuations meant a decrease in revenues to the Library District. The preliminary FY2014 assessed valuation increased by 2.7% but the final projections had not been received.

Manager Empey discussed the calculated tax revenue for FY2014 and said the preliminary assessed value, which meant the formula for property taxes, was 35% of market value. The Library District's current tax rate of \$.0632 per \$100 assessed value generated an estimated property tax revenue of \$2.6 million less the estimated effect of tax abatement in the amount of \$69,196 for a total estimated property tax revenue in the amount of \$2.5 million.

Manager Empey illustrated a graph which related to a historical summary of revenues and expenditures for the period of 2008 - 2014. Revenues peaked in 2009 and steadily declined since that time. There was a moderate increase in revenues and expenditures for 2013-2014.

Manager Empey discussed the Library District Comparative Revenue Summary and said in FY2011 the revenues were \$3 million and decreased to \$2.5 million in FY2013. The projection of revenues for FY2014 showed a slight increase to \$2.6 million.

Manager Empey reviewed the Library District Comparative Expenditure Summary over the same four year period of time and said the operating expenditures for FY2011 through FY2014 were stable. He explained in FY2014 a budget reduction of \$855,000 was needed to achieve a 4% ending fund balance. The Library District annual debt of \$1 million would become an issue in FY2014 and increased to \$2.4 million in FY2017. The debt requirement out paced future revenue increases at the current tax rate of \$.0632 per \$100 assessed value.

The Tentative Budget would be submitted to the Department of Taxation on April 15, 2013 as required by law. Manager Empey explained there would be changes prior to the final budget submission.

Chairwoman Langford questioned whether the budget reductions would come from salaries and/or utility payments. Manager Empey said the debt service payments were established and were due in installments over a number of years. The debt was restructured and extended a few years to allow the City to have a reduced debt service payment. There were reductions in services and supplies and Library Director Kathy Pennell was attempting to keep the expenditures to a minimum to avoid further reductions in operating hours, personnel and supplies.

Trustee Whipple questioned whether any of the libraries would need to be closed. Manager Empey said the issue would need to be addressed as the budget was prepared. Trustee Whipple expressed the importance of libraries for the citizens.

Chairwoman Langford questioned whether all City departments were asked to reduce their budget by 4%. Finance Director Al Zochowski explained Nevada Revised Statutes required a 4% ending fund balance for the Library District. The City of North Las Vegas General Fund required an 8% ending fund balance. He explained the 4% was not a reduction in services or a cut but what was required to be in the fund at the end of the fiscal year. Director Zochowski said FY2012-2013 would end with a 12.5% ending fund balance. Part of the fund balance would need to be used for items budgeted for the next fiscal year which would decrease the fund balance. To meet the ending fund balance of 4% either revenue would need to be increased by \$855,000 or expenditures would need to be reduced. Chairwoman Langford questioned what the City was doing to reduce the budget. Finance Director Zochowski explained the Library District Budget was separate from the City's budget and was its own entity. There were deficits in the City budget that would need to be addressed in the same way before a final budget was adopted.

Trustee Borgersen questioned the issue of consolidated tax and whether the City was fighting for an increase. Director Zochowski said the City fought and lost the battle with consolidated taxes. The Legislature denied the request for an amendment to the consolidated tax formula which would have provided additional revenue to the City.

Trustee Whipple asked why the voters were not informed of the consolidated tax issue and the way the formula was constructed. Finance Director Zochowski said for the past 14 months the City fought for changes in the consolidated tax formula to make the formula more equitable for the City.

Trustee Borgersen questioned who was pursuing the issue for the City. Finance Director Zochowski said Mayor Buck, City Manager Hacker and lobbyists went to the Legislature at the start of the 2013 Legislative Session to present arguments on why the consolidated tax formula was not beneficial to the City of North Las Vegas but actually hurting the City.

Trustee Rose questioned why the Legislature denied the request. She asked if it was based on the size of the City or the fact that the change would help the Library District.

Deputy City Attorney Bethany Rudd Sanchez explained the Library District needed to follow the items listed on the agenda due to the requirements of the Open Meeting Law. She explained the consolidated tax issue was not listed for discussion on the agenda.

Trustee Whipple questioned whether the increased budget for FY2013-2014 meant there would be additional staff hired for the library. Finance Director Zochowski the budget was created to maintain the current level of service with the current staff.

Chairwoman Langford wanted to reconfirm that questions were asked regarding issues mentioned during the presentation listed on the agenda by herself, Trustee Borgersen and Trustee Whipple.

ACTION: PRESENTATION GIVEN

STAFF REPORT

Library Director Kathy Pennell said Kimberly Fletcher, a library employee, was selected as Employee of the Month for March 2013. The employees were selected for their outstanding job performance and demonstrating the City's Core Values. She explained Ms. Fletcher was the only cataloger for the Library District.

Director Pennell also reported that the air-conditioning at the Main Library had not worked since October 2012. A new chiller was ordered and should arrive late April. Building Maintenance provided a rental unit until the system could be repaired.

BOARD ITEMS

There were no additional items.

PUBLIC FORUM

Bob Borgersen, 7617 Island Rail Drive, North Las Vegas, said each entity in the Valley received revenue from consolidated taxes with the exception of the City of North Las Vegas. He said the City deserved their fair share of revenue. Mr. Borgersen said new parks were being opened with no funding for the staff to maintain the park. He felt the City's priorities need to be adjusted.

Ken Angell, 1408 Danielle Rebecca Avenue, North Las Vegas, said he attended school in the City of Boulder City and was aware of the amount of revenue received from consolidated taxes. He felt the formula was not fair. Mr. Angell said the library was a valuable asset and he was concerned with the possibility of closing one or more libraries.

Bob Mersereau, 4836 Crystal Sword Street, North Las Vegas, was concerned that Mayor Buck had been presenting arguments regarding consolidated taxes when she was not involved with the issue. He said changes were needed in the City.

Deputy City Attorney Bethany Rudd Sanchez reminded everyone it was the start of Election season and members of Advisory Boards should refrain from statements made which could be considered political in nature.

ADJOURNMENT

ACTION: THE MEETING ADJOURNED AT 5:42 P.M.

APPROVED: September 24, 2013

/s/ Rita Langford
Rita Langford, Chairwoman

ATTEST:

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