

MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
FINANCE AND AUDIT COMMITTEE MEETING
LAS VEGAS, NEVADA
APRIL 8, 2004
(Approved May 20, 2004)

The Finance and Audit Committee of the Board of Trustees of the Las Vegas-Clark County Library District met in the Clark County Library, Las Vegas, Nevada, at 4:30 p.m., Thursday, April 8, 2004.

Present: Board: T. Wong, Committee Chair
A. Arthurholtz, Committee Member
R. Barlow, Committee Member
L. Overstreet, Committee Member
F. Sponer, Committee Member

Staff: D. L. Walters, Executive Director
Numerous Staff

Trustee Wong called the meeting to order at 4:40 p.m.

Roll call Trustees Wong, Barlow, Overstreet and Arthurholtz were present at roll call.

Agenda Trustee Wong moved to accept the proposed agenda. There was no opposition and the motion carried.

Discussion and possible Committee action regarding the FY 2004-2005 Tentative Budget submittal to the Department of Taxation and preparation for the May 20 budget hearing. (Item III.)

Deputy Director/CFO, Fred James explained to the Finance and Audit Committee that regarding General Fund revenues, property tax is estimated to increase 10.6% or \$2.8 million, as compared to FY 03-04. Estimated Consolidated Sales Tax (CTX) increased by 7.9%, as compared to 3.5% for FY 03-04, reversing the downward trend over the past three fiscal years. Property taxes (64%) and the CTX (32%) account for 96% of all General Fund revenues.

The remaining four percent of General Fund revenues are generated from library fines, programming and rental charges, revenue from contract libraries and investment income.

In the area of expenditures, the proposed preliminary General Fund budget amounts to \$43.5 million, a 4.3%, or \$1.8 million increase as compared to FY 03-04. Enhancements to Public Services personnel, primarily page positions and negotiated cost of living increases contribute to an overall 4.4% increase in salaries and benefits.

The FY 04-05 preliminary budget proposes \$8.7 million in materials expenditures, an increase of 5.3% over current levels. The proposed materials appropriation amounts to 20% of the total General Fund budget, a Public Library Association standard that few urban libraries serving more than one million people are able to attain. In addition, \$702,000 is budgeted for equipment replacement, software, hardware, and facility improvements, a decrease of 14.1% as compared to last fiscal year.

The General Fund's ending fund balance is projected at \$2,693,971 and amounts to 6.2% of the total budget.

Activity in the Gift Fund and Grant Fund are accounted for in Special Revenue Funds. The Gift Fund accounts for donations to the District and is estimated to be \$454,000

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in FY 04-05. The Grant Fund of \$860,000 accounts for revenues and expenditures for monies received from state and federal grants.

From the Capital Projects Fund, a \$2 million transfer is proposed from the general fund to supplement the \$4 million transfer. The transfer will be appropriated to different programs within the Capital Projects Fund and the final proposed budget will reflect balances in all programs that include previous balances and the April, 2004 transfer of \$4 million.

The \$2,000,000 transfer will be designated for a \$250,000 PC network and telecommunication hardware replacement program, a \$250,000 maintenance & repair program and a \$1,500,000 construction program. Funding these programs will provide the District with available resources to maintain its capital infrastructure and set aside funds that can later be appropriated for future construction projects designated by the Board.

As a result of recent transfers to the Capital Projects Fund, the FY 04-05 budget document will be expanded to include new program account information in the Capital Projects Fund for categories in technology, building maintenance and repair, and construction projects. Expenditures of \$2,890,000 are proposed that include an ILS automation system in the amount of \$2,300,000, Resources Management System (RMS) completion in the amount of \$40,000, PC network upgrades totaling \$300,000 and facilities maintenance and repairs in the amount of \$250,000.

Appropriation for the current year for the ILS automation system represents ending fund balance (\$1.86 million) carried over and a transfer from the General Fund (\$500,000) from the prior year to complete the installation of this system during FY 04-05. The amount of \$40,000 to complete the installation of the RMS is from the ending fund balance of the Capital Projects Fund carry over to FY 04-05.

Funding for PC network upgrades and Facilities maintenance and repairs were funded from the Capital Projects Fund's ending fund balance resulting from a transfer from the general fund FY 03-04 budget.

The Debt Service Fund accounts for the accumulation of resources for, and the payment of general obligation bonds. Bonds are payable from property taxes. The debt service property tax rate generates revenue to pay principal and interest on bonds. In addition, the District must maintain a reserve on hand, equal to the annual debt service requirements. Principal and interest amounts to \$9,114,985 in FY 04-05.

Pending Board direction for any additional changes, staff will prepare a FY 2004-05 Proposed Budget that incorporates any necessary adjustments subsequent to the administrative filing of the FY 2004-05 tentative budget with the Department of Taxation.

Public Comment None

Trustee Barlow moved to adjourn the meeting at 5:10 p.m. There was no opposition and the motion carried.

Respectfully submitted,

T. Wong Chair