

(approved July 23, 2020)

The Board of Trustees' Finance and Audit Committee of the Las Vegas-Clark County Library District met in regular session via WebX, at 3:00 p.m., Thursday, April 16, 2020.

Present:	Committee:	K. Benavidez, Chair R. Wadley-Munier K. Rogers	S. Bilbray-Axelrod B. Wilson F. Ortiz, ex-officio
	Board:	E. Foyt S. Ramaker	M. Francis Drake J. Meléndrez
	Counsel:	G. Welt	
	Absent:	None	
	Staff:	Dr. Ronald R. Heezen, Executive Director Fred James, Deputy Director/CFO Numerous Staff	
	Guests:	None	

K. Benavidez, Committee Chair, called the meeting to order at 3:05 p.m.

Roll Call (Item I.) All members listed above represent a quorum. Due to operation inexperience and WebX connection issues, some members were not able to be heard during comment periods.

Public Comment (Item II.)	None.
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Agenda (Item III.) Trustee Rogers moved to approve the Agenda as proposed. There was no opposition and the motion carried.

<p>Discussion regarding the Fiscal Year Ending (FYE) June 30, 2021 Tentative Budget submittal to the Department of Taxation and presentation for the May 21, 2020 Budget Public Hearing. No action will be taken. (Item IV.A.)</p>	<p>Deputy Director/CFO Fred James explained that the Nevada Revised Statutes require that the Tentative Budget be filed with the State Department of Taxation by April 15, 2019. The Tentative Budget is an administrative report of anticipated expenditures and does not require Board action. The Tentative Budget was filed by staff on March 30, 2020, without much of an indication to what degree and what impact the COVID-19 virus would have on it. Mr. James said there was little indication that this virus was going to have a long-term effect on staff's projections for the current year, or beyond. Like most people in most government agencies, he was taken by surprise that this was going to be a pandemic and he never would have ever guessed that the Governor would shut down the Las Vegas Strip and the state to the extent he did.</p>
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That being said, Mr. James said that staff are still evaluating the impact to the District's budget of the much longer shutdown. The shutdown will impact all sources of revenues, which then impact expenses. This will not only impact the next fiscal year, which starts July 1, 2020, but

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also the end of this fiscal year. Based upon when the District receives property tax and sales tax (CTX) receipts from the state, staff have to be mindful of what they spend and when. In today's later meeting, staff will go over their cost-saving efforts in light of new requirements to meet in order to reopen.

Mr. James then presented the Tentative Budget filed with the state of Nevada and discussed the impacts he knows at this point in time. The presentation is attached as Appendix A.

In answers to questions from Trustees Rogers and Ortiz regarding providing information to Trustees about the impact to the District's budget going forward, Mr. James explained that he will discuss more specifically areas that will be impacted at the Regular Meeting later in the day, as well as a Special Meeting being called for April 28, 2020 to discuss the situation in more detail prior to the May 21, 2020 Budget Hearing meeting.

This item is for discussion only as the basis for preparing the Tentative Budget, which was submitted to the State Department of Taxation on March 30, 2020.

Discussion and possible Committee action regarding authorization to joinder onto Clark County's contract with FHN Financial Main Street Advisors, LLC (FHN) for investment advisory services. (Item IV.B.)

Deputy Director, CFO Fred James is proposing to joinder onto Clark County's contract with FHN Financial Main Street Advisors, LLC (FHN) for investment advisory services. The Investment Services agreement will expire December 31, 2022, and can be extended for up to two (2) one-year periods. However, the District has been able to negotiate lower transaction volume fees than those provided the County under this contract (see attached).

The approval of this agreement will ensure that the District will be provided investment services at competitive costs. The District has been using them for approximately 10-15 years, they are responsive, and they have been able to work with us on a fluctuating amount that has ranged from \$300,000 to \$20 million.

Trustee Wilson asked for the average return the District has been getting with FHN over the last decade. Due to the fluctuating amounts of money that the District has had available, Wilson asked for a time-weighted return from the last decade. Chair Benavidez asked for this information to be provided to all Trustees. Mr. James will obtain this information from FHN and provide to all of the Trustees.

Trustee Wilson moved to forward to the Board of Trustees for approval to authorize staff to joinder onto Clark County's contract with FHN Financial Main Street Advisors, LLC for investment advisory services through December 31, 2022, and to authorize staff to extend the contract for up to two (2) one-year periods, subject to funding being available and the contractor continuing to meet performance standards outlined in the contract agreement.

Public Comment (Item V.)

None.

Adjournment

Chair Benavidez adjourned the meeting at 3:43 p.m.

(Item VI.)

Respectfully submitted,

Kelly Benavidez, Committee Chair

TENTATIVE/ PROPOSED BUDGET

Fiscal Year 2020–2021

Total Revenues

General Fund

Las Vegas-Clark County Library District FYE 2021				
	FYE 2020 Budget	Preliminary FYE 2021 Budget	Variance FYE 2021 vs. FYE 2020	Percent Increase (Decrease)
General Fund				
Revenues:				
Property Taxes	44,855,000	49,300,000	4,445,000	9.91%
Consolidated Tax	24,185,000	25,505,000	1,320,000	5.46%
Charges for Services	670,000	670,000	-	0.00%
Fines and Forfeits	900,000	900,000	-	0.00%
Miscellaneous Revenue	765,000	765,000	-	0.00%
Investment Income	15,000	15,000	-	0.00%
Total	71,390,000	77,155,000	5,765,000	8.08%

- FY 2021 Property Tax Rates
 - Collectability
- FY 2021 CTX
 - Potentially 5%-20% lower
- Both revenues to be adjusted for the final budget

Total Revenues (Cont.)

Economic Impact

- Largest taxpayers in Southern Nevada ordered to close in mid-March
- Effect on current and future property taxes and assessed valuation is unknown
- CTX revenue for FY 2019-2020 to decrease by \$4M to \$6M
- The FY 2020-2021 budgeted transfer of \$11M from the General Fund to the Capital Projects Fund will decrease for the final budget

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund Fore the Fiscal Year Ended June 30, 2019

	Budget			Variance to
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	\$ 41,826,000	\$ 41,826,000	\$ 43,021,608	\$ 1,195,608
Intergovernmental revenues, consolidated taxes	22,489,000	22,489,000	23,443,319	954,319
Charges for services	1,570,000	1,570,000	1,361,116	(208,884)
Interest	15,000	15,000	111,160	96,160
Contributions			211,346	211,346
Miscellaneous	765,000	765,000	399,582	(365,418)
Total revenues	66,665,000	66,665,000	68,548,131	1,883,131
Expenditures				
Culture and recreation:				
Salaries and wages	31,035,496	31,035,496	29,449,204	1,586,292
Employee benefits	11,647,492	11,647,492	11,182,265	465,227
Supplies and services	15,348,749	15,348,749	12,089,521	3,259,228
Capital outlay	10,234,678	10,234,678	10,218,199	16,479
Total expenditures	68,266,415	68,266,415	62,939,189	5,327,226
Excess (deficiency) of revenues over expenditures	(1,601,415)	(1,601,415)	5,608,942	7,210,357
Other financing uses				
Transfers to Other Funds	(6,200,000)	(6,200,000)	(6,200,000)	
Net change in fund balance	(7,801,415)	(7,801,415)	(591,058)	7,210,357
Fund balance, beginning of year	16,007,759	16,007,759	15,168,032	(839,727)
Fund balance, end of year	\$ 8,206,344	\$ 8,206,344	\$ 14,576,974	\$ 6,370,630

Actual receipt of revenue exceeds
budgeted revenue 2.83%

Actual expenditures less than budgeted
92.2%

Ending Fund Balance- 23%

Total Expenditures

All Funds

Las Vegas-Clark County Library District FYE 2021				
	FYE 2020 Budget	Preliminary FYE 2021 Budget	Variance FYE 2021 vs. FYE 2020	Percent Increase (Decrease)
General Fund	72,794,944	73,157,362	362,418	0.50%
Special Revenue Funds:				
Gift Fund	815,000	815,000	-	0.00%
Grant Fund	1,800,000	1,800,000	-	0.00%
Capital Projects Fund	13,701,300	13,521,300	(180,000)	(1.31%)
Debt Service Fund	10,000	10,000	-	0.00%
Total	89,121,244	89,303,662	182,418	0.20%

General Fund:

- Salaries and benefits increased \$591K (1.3%)
- Services and supplies decreased \$307K (1.9%)
- Library materials increased \$78K (1%)
- Transfers from the General Fund to the Capital Projects Fund total \$11.0 million

Total Expenditures (Cont.)

**Expected savings of \$6M in the current FY 2019-2020
will not be realized**

This will impact the amount of transfers to the Capital Projects Fund major programs:

- Library Services Platform Replacement (\$283K)
- Technology Replacements and Upgrades (\$1.3M)
- Building Repair and Maintenance (\$1.2M)
- Capital Construction (\$8.4M)
 - Master Plan Renovations
- Library Materials (\$284K)
- Vehicle Purchase and Replacement (\$315K)
- Furniture Purchase and Replacement (\$169K)
- Financial Services (\$332K)
- Community Engagement/Programming and Venues (\$504K)
 - To maintain the reliability of the District's meeting rooms and Performing Arts Centers by funding the purchase and replacement of audio, visual, and theatrical equipment