MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES' MEETING
LAS VEGAS, NEVADA
MAY 21, 2020
(approved August 13, 2020)

The Board of Trustees of the Las Vegas-Clark County Library District met in regular session via WebX in Las Vegas, Nevada, at 6:00 p.m., Thursday, May 21, 2020.

Present:	Board:	F. Ortiz, Chair	S. Bilbray-Axelrod
		K. Benavidez	E. Foyt
		R. Wadley-Munier	M. Francis Drake
		S. Ramaker	B. Wilson
		J. Meléndrez	K. Rogers
	Counsel:	G. Welt	
	Absent:		
	Staff:	Dr. Ronald R. Heezen, Executive Director Numerous Staff	
	Guests:	Scott Abbott, Kamer Zucker Abbott	

F. Ortiz, Chair, called the meeting to order at 6:08 p.m.

Roll Call and Pledge of Allegiance (Item I.)	All members listed above represent a quorum. Appendix A. Chair Ortiz led attendees in the Pledge of Allegiance.
Public Comment (Item II.)	Grant Davis, President of Teamsters Local Union 14 commented on Items IX.A-D. His comments are attached as Appendix B. Due to technical difficulties, this item occurred after Item VI. Library Reports.
Agenda (Item III.)	Trustee Bilbray-Axelrod moved to approve the Agenda as proposed with Item IV.A-G removed. There was no opposition and the motion carried.
Approval of Proposed Minutes Regular Session, January 16, 2020; Regular Session, February 13, 2020; Regular Session, March 12, 2020; Emergency Meeting, March 18, 2020; Finance and Audit Committee, April 16, 2020; Regular Session, April 16, 2020; and Special Session, April 28, 2020. (Item IV.A-G.)	Removed from Agenda.

Chair's Report (Item V.)

Chair Ortiz named himself, Trustees Foyt, Francis Drake, and Wadley-Munier, to serve on the Nominating Committee which will meet in June prior to the Thursday, June 11, 2020 Regular Board Meeting.

The Risk Management Committee will meet at 4:30 p.m. on Thursday, June 11, 2020.

Executive Assistant Allison Boyer will send out information on the meetings to Trustees.

Library Reports (Item VI.)

Executive Director's Report (Item VI.A.)

Executive Director Dr. Heezen said that Governor Sisolak is allowing the state to move to Phase One in reopening from the COVID-19 shutdown. The District will be ready on May 30. Heezen extended a thank you to the Safety and Mitigation team for all of their hard work.

Trustee Bilbray-Axelrod asked if there were any issues with the disinfecting sprayed in each District building. Dr. Heezen said that the application had gone off very well. This hopefully takes care of the surfaces. He especially wanted to thank General Services Director Steve Rice, Assistant General Services Director John Vino, and Safety Manager Nicole Baker for their work on identifying and obtaining this protection.

Trustee Benavidez knows everyone is very anxious to get back to work. It was her first week back in her office and it was very interesting. Now the District needs to move forward and she appreciates all the staff assistance to this goal and their dedication.

Trustee Ramaker reported that everyone in Mesquite is so excited that the Library will move forward to reopening. She also expressed her appreciation to staff.

Trustee Wilson is glad to hear that the District is reopening. He did not know why the District was not ready to reopen as soon as the Governor made the declaration since staff has been sitting around for two months.

The rest of the Trustees expressed their appreciation to staff for getting the District ready to partially reopen.

Library Operations, Security Reports and Monthly Statistics (Item VI.A.1.a.)

No questions.

Branding and Marketing Report and Electronic Resources Statistics (Item VI.A.2.a.)

No questions.

Community Engagement Report and Monthly Statistics (Item VI.A.2.b.)	No questions.
Development and Planning Report (Item VI.A.2.c.)	No questions.
Information Technology Report (Item VI.A.2.d.)	No questions.
Financial Services Report (Item VI.A.3.a.)	No questions.
General Services Report (Item VI.A.3.b.)	No questions.
Human Resources Report (Item VI.A.3.c.)	No questions.
	Trustee Bilbray-Axelrod moved to accept Reports VII.A. 1-7. There was no opposition and the reports were accepted. After this item was completed, Chair Ortiz took Public Comment (Item II.).
Unfinished Business (Item VII.)	None.
Executive Session **Discussion of the District's budget and human resources issues related to the COVID-19 Pandemic. (Item VIII.A.)**	Chair Ortiz advised attendees that the Executive Session would be closed and said that it would cover the District's budget and human resources issues related to the COVID-19 Pandemic. Trustee Bilbray-Axelrod moved to adjourn into Executive Session. There was no opposition and the motion carried. Trustees adjourned into Executive Session at 6:30 p.m. Trustee Wadley-Munier moved that the Regular Session be reconvened. There was no opposition and the Regular Session reconvened at 8:31 p.m.
Public Hearing on the Las Vegas-Clark County Library District's Tentative Budget for Fiscal Year 2020-2021.	Chair Ortiz convened the Public Hearing regarding the Las Vegas-Clark County Library District's Tentative Budget for Fiscal Year 2020-2021. The budget was presented by Dr. Heezen, Deputy Director/CFO Fred James and Assistant Finance Director Floresto Cabias and is attached as Appendix C. Mr. James explained the District's revenue sources such as the property taxes and sales and use tax (known as CTX). Mr.

(Item IX.A.)

Cabias explained the District's proposed General Fund expenditures as well as the importance of the beginning and ending fund balance and how they were used to cover expenses until the revenue is distributed by the state. Mr. James then discussed the Capital Projects Fund, what it is used for, and the proposed expenditures. He then briefly discussed cost reduction measures and how they will be affected by any negotiations with the union.

Trustee Ramaker said she expected property tax revenue to go down as many people in Mesquite were already asking for abatements.

Trustees Ramaker, Rogers, Drake, Foyt, Bilbray-Axelrod, Benavidez, Meléndrez, Wilson, Wadley-Munier and Chair Ortiz thanked staff for their work and for taking the time to fully explain the budget issues. Chair Ortiz commented that the current financial situation, because of circumstances, is out of everyone's control. The Trustees need everyone's help to work through this, to really to talk to each other, look at what's going on, really assess how the District can survive this without losing a lot of its staff, or its services to community. The District has a commitment to its community, which all Trustees care about. Decisions have to be made and they are not easy ones, which is the task of the Trustees.

Trustee Wadley-Munier moved to close the Public Hearing on the Budget. There was no opposition and the motion carried.

Discussion and possible Board action to adopt the Las Vegas-Clark County Library District's Final Budget for Fiscal Year 2020-2021. (Item IX.B.)

NRS 354.598 requires that the Final Budget be adopted by the governing body and transmitted to the State Department of Taxation on or before June 1st. Once the Final Budget is adopted, it becomes the operating plan for the fiscal year beginning July 1, 2020.

Trustee Meléndrez moved to adopt the Final Las Vegas-Clark County Library District's Fiscal Year 2020-2021 Budget subject to any modifications as directed by Trustees and instruct staff to adjust estimated Fiscal Year 2020-2021 revenues in accordance with final estimates from the Department of Taxation provided such estimates are received in sufficient time for staff to make adjustments by the June 1, 2020 filing date. There was no opposition and the motion carried.

Executive Assistant Allison Boyer reminded Trustees that the Fiscal Year 2020-2021 Budget Transmittal Letter needs to be signed by every Trustee. It will be sent out via DocuSign in the next day or so.

Discussion and possible Board action to offer a Voluntary Employee Separation Plan (VESP) to qualified staff. (Item IX.C.)

Mr. James reviewed the proposed Voluntary Employee Separation Plan (VESP). He explained that, beginning in March 2020, a number of cost-containment measures have been implemented throughout the District; each measure intended to reduce the District's expenditures in key areas. These measures have positioned the District to better deal with a decline in revenues. Unfortunately, due to the COVID-19 pandemic, the District's short-term revenues will decline and additional measures to control costs need to be considered.

Staff is proposing a Voluntary Employee Separation Plan as another measure to reduce operating expenses in the General Fund. The program would offer eligible employees who meet certain age and service criteria an opportunity to apply for voluntary separation and receive benefits related thereto. Program benefits include one week of compensation for every year of full time service with the District. Additionally, employees approved for participation in the VESP will receive 100% of their sick pay accrual (as opposed to 60% per current policy) and all other accrued leave to be paid out per current District policy.

Most positions voluntarily vacated through VESP will be left vacant, at a minimum, until such time as the District has recovered all personnel costs associated with the employees' separation including the payment of VESP and normal separation costs. Some critical positions may need to be replaced before costs are fully recovered.

The presentation is attached as Appendix D (pages 1-6).

Trustee Wadley-Munier said the plan was well-put-together and fair.

Trustee Benavidez was worried that too many people would take advantage of the VESP plan and the District would be left short-staffed. Mr. James said that if a position is found to be critical it would be filled, likely by a person who would not be paid as much as the person who left with the VESP. Benavidez also asked how many staff members would qualify for the VESP. James said that staff have identified approximately 140 staffers who would qualify. He added, however, that not everyone will take the VESP as they might be old enough but not have the years to qualify for a full PERS retirement, or they might have the number of years to qualify for a full PERS retirement but are not able to do so due to health insurance considerations. James is estimating that perhaps 30 staff members will take the plan.

Trustee Foyt asked about the 18 months of COBRA which Mr. James explained is the maximum amount a person can receive through that program. Foyt then asked about PERS retiree health insurance which James advised is no longer available through PERS.

Trustee Ortiz suggested employees research the VESP program carefully as the retirement numbers may not be all the staff member expected, but the additional money provided due to the number of years a staff member has worked at the District may help the staff member open up other opportunities. He used his experience of retiring from the Federal Government in 2012 to promote this option for staff.

Trustee Wilson moved to approve the establishment of a Voluntary Employee Separation Plan; and take any other action deemed appropriate. There was no opposition and the motion carried.

Mr. James then discussed the proposed Voluntary Furlough program, which is one of the cost-cutting measures staff are proposing. The details are contained in Appendix D (pages 7-14).

Chair Ortiz commented that coming back to work has created a lot of stress for a lot of individuals, real or unreal. If individuals feel like they are not quite ready to return to work, this is an opportunity for them to take advantage of it, given what the Federal Government is adding to the unemployment benefits.

Trustee Wilson moved to approve the establishment of a Voluntary Furlough Program. There was no opposition and the motion carried.

Discussion and possible Board action regarding the District's labor agreements with Teamsters 14. (Item IX.D.)

Chair Ortiz introduced Scott Abbott, outside Human Resources Counsel for the Library District to discuss the current status of proposed concessions offered by Teamster Local 14 (Teamsters) for Trustee consideration and possible action this evening.

Mr. Abbott explained that there are two proposed concessions. This first is for the represented employees of the District to forgo their annual pay planning increase (otherwise known as COLA) of three percent, effective July 1st of this year. The second is to freeze the current health insurance premium rate of the Teamsters Security Fund at the Fiscal Year 2019-2020 current rate with no increase for Fiscal Year 2020-2021 (usually an eight to nine percent increase). However, the concessions proposal that has been offered for consideration does require that the District meet its obligation under the Collective Bargaining Agreement (CBA) to pay represented employees their three percent merit increase.

Mr. Abbott explained that the current CBA's with the Teamsters obligate the District, as of July 1, 2020, to pay a three percent COLA increase, a three percent merit increase, and to accept an increase in insurance premiums for represented employees.

Mr. Abbott concluded by reiterating what is up for Trustee discussion and possible action tonight is whether the Board wants to accept or reject that concessions proposal by Teamsters. If Trustees accept the concessions proposal as he just outlined, the union has been made aware that there will still need to be staff layoffs to account for the inability to forgo the three percent merit increases. He concluded by saying that the cost of those merit increases would necessarily have to be offset by staff cuts in the form of layoffs.

Chair Ortiz asked each Trustee if they had questions or comments.

Trustee Bilbray-Axelrod said this would be a tough vote for her because she has a tremendous amount of respect for unions in general, and the District's contracts with Teamsters. She appreciated the union conceding the two items. However, it breaks her heart to think that some people are going to lose their job in order for staff members to receive their three percent merit pay. She is leaning towards voting for this item, but believed that it did not need to be this way.

Trustee Benavidez concurred with Trustee Bilbray-Axelrod. She is not really comfortable with the vote and wishes she could abstain, understanding that, as a Trustee, she cannot. She wanted to make that clear to District staff.

Trustee Wadley-Munier had a lot of empathy for the employees who will be laid off if this passes, as it seems that the union does not. She noted the economic devastation that has already occurred around town and said she had a real problem with voting for this when some staff could lose their jobs and others receive a raise. She values the District's employees and this does not sit well with her.

Trustee Wilson said this was why he was asking for temporary furloughs in April, in order to avoid being put in this position. It is unconscionable to ask the taxpayers to carry the cost of funding a raise to one group of employees at the cost of laying off another group of employees. He does not know that he can vote for this.

Chair Ortiz related his union experience and then commented that:

- One, all staff were paid for 75 days to stay home which he did not know if the union had considered this in their discussions.
- Two, the Trustees have a fiduciary duty to balance the budget. To do that, as well as fulfill the contract terms with Teamsters, the District will be forced to lay off some employees. He feels the District would be better served by having everyone trying to get through the situation together.

However, Ortiz said that is not what is being asked of Trustees at this meeting. What is being decided at this meeting will affect the District this year and next. He then went through some statistics, stated that the jump in unemployment for the District's service area means there will be huge CTX reductions. This means less revenue for the District. He does not see the situation improving for at least two to three years. He then said that the ending fund balance exists to pay employees and other expenses until the District receives its revenue from the state. It is not to be used for a different purpose.

Because of all these reasons, he would like to explore one more option. Chair Ortiz moved to recall the vote on the furlough from the April 28th meeting.

In response to a question from Trustee Bilbray-Axelrod, Ortiz reminded everyone that Trustees voted not to furlough anyone at the April 28th meeting. Since he voted against this item, he can ask for it to be reconsidered. He would like to bring this back as an option for staff to use. In response to a question from Trustee Wilson, this vote is only to reopen the discussion.

There was no opposition and the motion carried.

Chair Ortiz then moved to have District use staff furloughs as necessary to prevent layoffs.

To clarify, Ortiz said that this is not a motion to furlough employees now; it allows staff to use furloughs as a tool so that the District does not lay off employees to give staff the three percent raise.

There was no option and the motion carried.

Chair Ortiz said that now that furloughs have been approved, he wanted to bring the discussion back to the agenda item, the concessions offered by the union. He asked everyone to weigh in one more time.

Trustee Wadley-Munier asked how the furloughs would work and when Trustees needed to make a decision. Chair Ortiz clarified that the staff would make the decision of what furloughs needed to be made now that the Trustees had voted to allow furloughs.

Trustee Wilson asked when the decision on the concessions needed to be made before the contract terms automatically take effect. Mr. Abbott said that the new contract year begins July 1, 2020.

Trustee Foyt commented that if Trustees approve the concession the District will not only lose staff but also be less capable of serving the public, which is the District's mission. She added that it might be insulting to taxpayers that some staff are being paid more but the availability of services will decrease.

In response to a comment from Chair Ortiz, Mr. Abbott clarified that Trustees are not approving or rejecting the agreement, as that is already in place. What the Trustees are doing is to either approve or reject the Teamsters concessions proposal.

Trustee Francis Drake wanted to know if the Trustees can see how many people take the VESP and voluntary furlough options and see if that helps the situation.

Trustee Wilson responded that that was why he was asking about the deadline. That way, if the Teamsters want to discuss it some more and bring something else back and then Trustees could have an emergency meeting to discuss.

Chair Ortiz asked if Mr. James and Dr. Heezen recommended tabling the item until there was information on the staff who would be taking the VESP and voluntary furloughs. Mr. James said that, basically, the more people who took the VESP and voluntary furloughs, the fewer people the District would have to lay off.

Trustee Bilbray-Axelrod wondered if there is any way to bring the Teamsters back to the table, now that they have heard from the Trustees. Mr. Abbott said he would suggest that to the Teamsters, but does not know how much their position would change. Bilbray-Axelrod said that after the Board meeting, they may be open to the possibility of further discussion.

Trustee Meléndrez said he believes Trustees know what they need to do. If the Teamsters want to come back, the Board can always call a meeting. Trustee Wadley-Munier agreed, saying that Trustees are all very open-minded and would welcome some other type of an offer if it was made.

Dr. Heezen commented that Mr. James believes the District would be able to finish out the fiscal year and by that time staff will have an idea of who is signing up for the VESP and voluntary furloughs which will also give an idea of the economic impact in the future.

Mr. James and Acting Financial Services Director Floresto Cabias agreed to report on the number of VESP's and voluntary furloughs taken by staff and the money that has been saved.

Trustee Wadley-Munier moved to decline the concessions offered by Teamsters 14.

Trustee Wadley-Munier commented that she could not vote in favor of some staff receiving a raise and others losing their job. She cannot also vote in favor of raises to staff during this pandemic.

Trustee Bilbray-Axelrod wanted to say that she believes that since the Executive Director and Chief Finance Officer have provided guidance that Trustees should accept the concessions and get the numbers back in several months that she will be voting no on the motion.

Chair Ortiz called for the question:

Chair Ortiz and Trustees Wadley-Munier, Rogers, Ramaker, Foyt, Wilson, and Francis Drake voted yes.

Trustees Bilbray-Axelrod, Meléndrez, and Benavidez voted no.

The motion carried (7-3).

Counsel Welt noted that, by passing this motion, the contract now in effect with Teamsters requires that, on July 1, 2020 all three of the items, the COLA, merit, and the increase to the health insurance contract premiums must be paid. She wanted to ensure every Trustee understood that is the result of the vote.

Trustee Wadley-Munier agreed saying that she hoped that the union comes back to staff with a different recommendation in the next month. That was her intent.

Trustee Bilbray-Axelrod commented that she wanted to make sure Trustees understand that by voting down the concessions offered by the Teamsters, that means, potentially, on July 1, staff would receive both the COLA and merit raises, the District would pay more for health insurance and there would be layoffs.

Chair Wilson hopes that the union would reach out to staff. Staff could provide numbers and Trustees could resolve this in an emergency meeting in several weeks. He hopes this is what will happen so that the District does not have to lay off employees. This is his hope for the outcome.

Trustee Wadley-Munier said that was her hope as well.

Announcements (Item X.)

A Nominating Committee Meeting will be scheduled in June prior to the next Regular Board Meeting.

The next Risk Management Committee Meeting will be held on Thursday, June 11, 2020, at 4:30 p.m. in the West Las Vegas Library, 951 West Lake Mead Blvd., Las Vegas, Nevada 89106 OR via WEBEX.

The next Board Meeting will be held Thursday, June 11, 2020, at 6:00 p.m. in the West Las Vegas Library, 951 West Lake Mead Blvd., Las Vegas, Nevada 89106 OR via WEBEX.

Public Comment (Item XI.)

None.

Executive Session (Item XII.)

Removed from Agenda.

Adjournment (Item XIII.) Chair Ortiz adjourned the meeting at 10:19 p.m.

Respectfully submitted,

Elizabeth Foyt, Secretary

2020 ATTENDANCE

Appendix A

May 21, 2020 Regular Board Meeting

	2020	January 16 Naming Library Policy Cmte	January 16 Regular Board Mtg	February 13 Regular Board Mtg	March 12 Regular Board Mtg	March 18 Emergency Board Mtg	April 16 Finance & Audit Cmte	April 16 Regular Board Mtg	April 28 Special Board Mtg	May 21 Regular Board Mtg
Benavidez	Kelly	A-E	A-E	P	P	A-E	P	P	P	P
Bilbray-Axelrod	Shannon	P	P	P	A-E	P	P	P	P	P
Francis Drake	Marilyn	P	P	P	P	P	P	P	P	P
Foyt	Elizabeth	P	P	P	P	A-E	P	P	P	P
Meléndrez	José	P	P	P	P	A-E		P	P	P
Ortiz	Felipe	P	P	P	P	P	P	P	P	P
Wadley-Munier	Robin	P	P	P	P	A-E	P	P	P	P
Ramaker	Sandra	P	P	P	A-E	P	P	P	P	P
Wilson	Brian	P	P	A-E	P	P	P	P	P	P
Rogers	Keith	P	P	P	A-E	P	P	P	P	P

(shaded) attended Committee meeting but not a member

A-E Excused Absence

A-U Unexcused Absense

as of May 22, 2020

GENERAL SALES DRIVERS, DELIVERY DRIVERS & HELPERS AND PUBLIC SECTOR
TEAMSTERS LOCAL UNION NO. 14

AFFILIATED WITH THE
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

May 21, 2020

Re: Public Comment – May 21, 2020 Las Vegas Clark County Library District Board of Trustees meeting

Good evening board. My name is Grant Davis and I am the President of Teamsters Local 14. I am speaking to you on agenda item #9. I would like to speak to you this evening about your budget discussions that will take place tonight and the direction that you will be providing Mr. James and his staff.

In our initial meeting we were informed that there would be an approximate shortage of $5 million per year for the next two years. Mr. James and Mr. Abbott presented us with a solution that was previously presented to you that the union was asked to contribute a concession of $5.4 million. We attempted to ask questions to better understand the numbers presented and it was very shocking and disappointing that we were told that there was no need for questions, accept the information presented at face value and agree to the proposed concessions. What was even more disheartening was that the threat of layoffs was interjected into the meeting almost from the very start. We were told that if we didn't do exactly what was being asked that we would be choosing to inflict layoffs on our co-workers.

One of the numbers that we had real difficulty understanding is Mr. James projection of the Services and Supplies expenditures. In the presentation to the board on April 28th documents provided indicated that there was a $9.5 million increase in expenditures, only $2.7 million of the increase could be attributed to salary and benefits with an $6.8 million increase in District operations. Over the last 5 years' the Services and Supplies expenditures were overbudgeted by an average of 18.2% , or, $11.8 m overbudgeted in the last 5 years. If the originally budgeted $16.1 million is the result of 18% over-budgeting as history indicates then the accurate supplies and services expenditures would be more in the $13.2 million range and the yearly hole to fill is closer to $3.2 million.

The next number that the Union has concerns about is an ending fund balance at 21% or greater for the next two years. During normal circumstances that would be great but we aren't planning for normal circumstances and it is not appropriate to ask the employees to shoulder the entire burden of the concessions but the District isn't willing to manage their finances to contribute in finding a solution to this problem.

8951 WEST SAHARA AVENUE • SUITE 100 • LAS VEGAS, NEVADA 89117-5899
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GENERAL SALES DRIVERS, DELIVERY DRIVERS & HELPERS AND PUBLIC SECTOR
TEAMSTERS LOCAL UNION NO. 14

AFFILIATED WITH THE
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

We feel that with the uncertainty in the economy over the next year we were only willing to address one year currently. My committee was unanimous in immediately agreeing to the 1st year COLA and H&W premium freeze but not the Merit freeze. This concession has a value of $1.5 million.

I believe Mr. James is bringing you a proposal that doesn't even reflect the offer that provided the most concessions to the District. I anticipate that they will present you the solution wherein the employees agree to freeze the COLA and H&W for the '21 fiscal year. We made an offer that included a COLA freeze in the 22 fiscal year but we were told that there was no value in the 2nd year COLA freeze and that the Board would rather do layoffs. Even more shockingly Mr. Abbott told me that even if we agreed to all 3 concession criteria that there are board members that would still want to do layoffs due to appearances and what was happening elsewhere in the Valley. We represent many other public entities and almost all of them are utilizing reserves and lowering their ending fund balance to try to avoid layoffs. Now, Mr. Abbott has always been truthful with me so I have no reason to not believe what he has told me but it leaves me very angry. Angry that there are Board Members that obviously don't understand that the employees are the Districts greatest asset and that they are willing to unnecessarily lay them off just for appearances. I have a hard time understanding how in an economy where we need to get people back to work your willing to just unnecessarily discard employees. During this time of uncertainty Board Members and Mr. James need to stop looking to pad the numbers in the budget and remember that it isn't just numbers you are affecting it is your employee's and their families lives that are being impacted. Thank you for your time.

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TENTATIVE/ PROPOSED BUDGET

Fiscal Year 2020–2021

Presented by:
Dr. Ronald R. Heezen, Executive Director
Fred James, CPA, Deputy Director/CFO
Floresto Cabias, CPA, Assistant Finance Director

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FY 2020-2021 Budget Strategy

Reengineering for an Evolving Future

Las Vegas-Clark County LIBRARY DISTRICT LVCCLD.org

Historical Background

The Great Recession

General Fund:

- Consolidated Sales Tax (CTX)
    - Current year is expected to drop by as much as 14% from budget in the amount of \$3.4M from \$24.2M to \$20.7M
    - Matches the downward trend seen during the last recession, bringing revenues to 2014 levels

- Property Tax
    - Drop to around 10% for 3 straight years due to:
        - Drop in Assessed Property Values
        - High foreclosures
    - Remain at that level for 2 years before rising
        - 3% Residential
        - 8% Commercial
        - Limited by CPI growth

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Historical Background (Cont.)

The Great Recession

- Capital Projects Fund
  - Established and to be used as a Rainy Day fund under catastrophic circumstances

- There was no shut down of the economy
  - High unemployment rate for several years

Las Vegas-Clark County LIBRARY DISTRICT LVCCLD.org

Revenues

Economic Impact – Current FY 2019-20

General Fund:

- Consolidated Sales Tax (CTX)
  - Current year is expected to drop by as much as 15% from budget in amount of $3.6M from $24.2M to $20.7M

- Property Tax
  - We expect to collect all budgeted current year property tax revenue for FY 2019-20 of $44.9M

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Revenues (Cont.)

Economic Impact – Budget FY 2020-21

General Fund:

- Consolidated Sales Tax (CTX)
  - Budgeted CTX is expected to drop an additional 14.2% ($2.9M) from the estimated Current Year actual of $20.7M to $17.8M
- Property Tax
  - Collection of all budgeted current year property tax revenue for FY 2020-21 is questionable
    - Budgeted amount - $49.3M an increase of $4.4M over Current Year budget
- Expected and continued high unemployment rate

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Consolidated Sales Tax
Economic Impact

	Consolidated Tax 19-20					Consolidated Tax 20-21			
			% Increase					% Increase	
	FY19	FY20	Over FY18			FY20	FY21	Over FY19	
July	1,826,540.60	1,911,539.33	4.65%			1,911,539.33	1,624,808.43	-15.00%	85%
August	1,832,910.32	1,977,855.19	7.91%			1,977,855.19	1,681,176.91	-15.00%	85%
September	2,021,329.13	2,129,047.65	5.33%			2,129,047.65	1,809,690.50	-15.00%	85%
October	1,795,589.90	1,975,666.37	10.03%			1,975,666.37	1,679,316.41	-15.00%	85%
November	1,917,307.97	1,989,189.12	3.75%			1,989,189.12	1,690,810.75	-15.00%	85%
December	2,221,539.92	2,445,754.63	10.09%			2,445,754.63	2,078,891.44	-15.00%	85%
January	1,810,148.73	1,923,222.53	6.25%			1,923,222.53	1,634,739.15	-15.00%	85%
February	1,721,369.96	1,734,892.48	0.79%			1,734,892.48	1,474,658.61	-15.00%	85%
March	2,215,572.16	1,421,123.23	-35.86%	60%		1,421,123.23	1,279,010.91	-10.00%	90%
April	1,928,303.84	1,236,862.17	-35.86%	60%		1,236,862.17	1,113,175.95	-10.00%	90%
May	1,995,526.81	959,985.49	-51.89%	45%		959,985.49	863,986.94	-10.00%	90%
June	2,157,180.02	1,037,751.79	-51.89%	45%		1,037,751.79	933,976.61	-10.00%	90%
	23,443,319.36	**20,742,889.98**	**-11.52%**			**20,742,889.98**	**17,864,242.62**	**-13.88%**	

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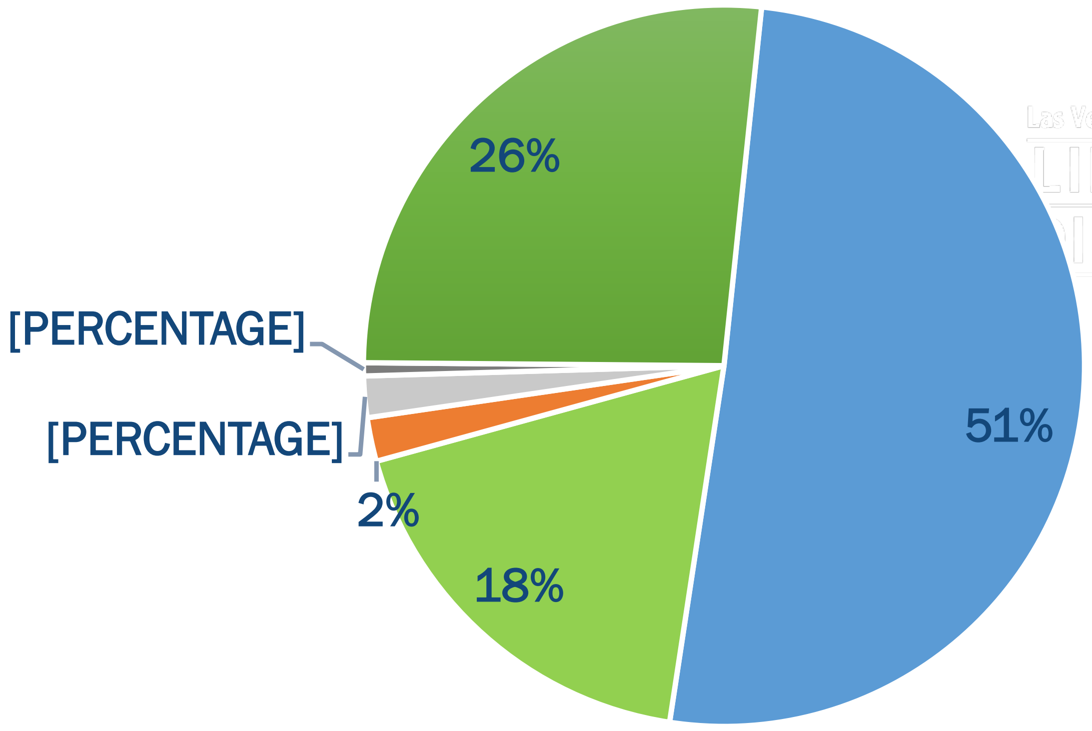
Total Available Resources – All Funds



Total – $97.2M:

Sources

- Property Tax – $49.3M
- Consolidated Sales Tax – $17.8M
- Fines and Forfeits/Misc. – $1.9M
- Intergovernmental Revenue – $1.8M
- Charges for Services – $0.6M
- Beginning Fund Balance – $25.8M

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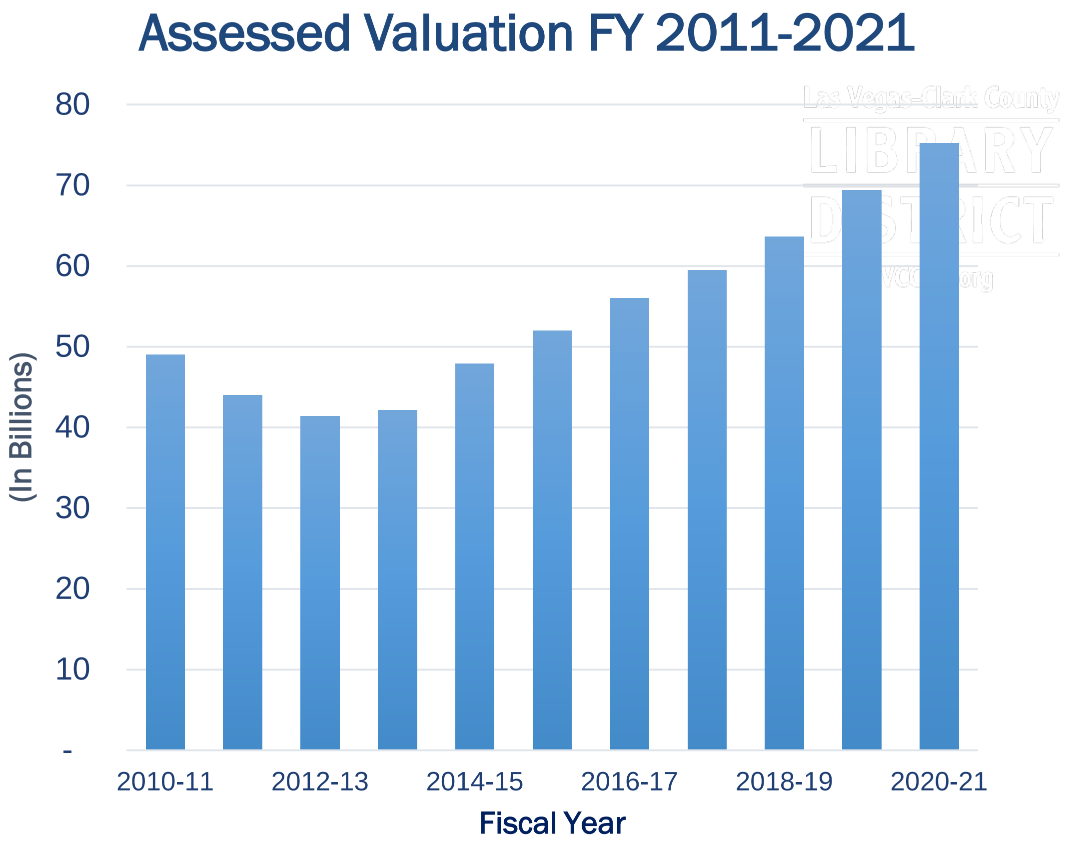
Assessed Value



- Property tax is based on Assessed Valuation (AV) of property
- 2020-2021 AV:
  $75.2B, an 8% increase over 2019-2020
- Property tax represents 69% of total revenues ($49.3M)

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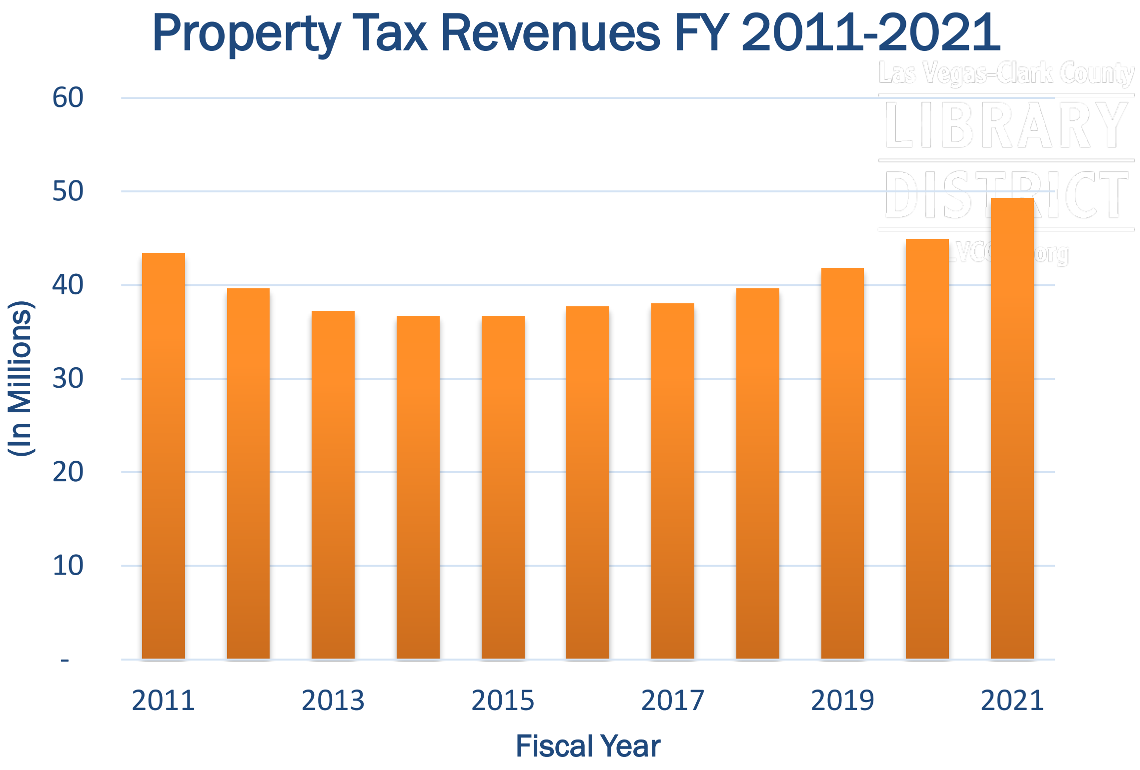
Property Tax Revenues



Property taxes

FY 2021 – $49.3M Budgeted
FY 2020 – $44.9M Budgeted
FY 2019 – $43.0M Actual
FY 2018 – $40.6M Actual
FY 2017 – $38.6M Actual
FY 2016 – $37.9M Actual
FY 2015 – $36.7M Actual
FY 2014 – $36.7M Actual
FY 2013 – $36.2M Actual
FY 2012 – $39.6M Actual
FY 2011 – $43.4M Actual

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The District's Property Tax Rate

- Tax rate: General Fund $.0942
- Total tax rate: $.0942 per $100 AV
- Property tax rate per $100K pays about $32.97 yearly or $2.75 monthly

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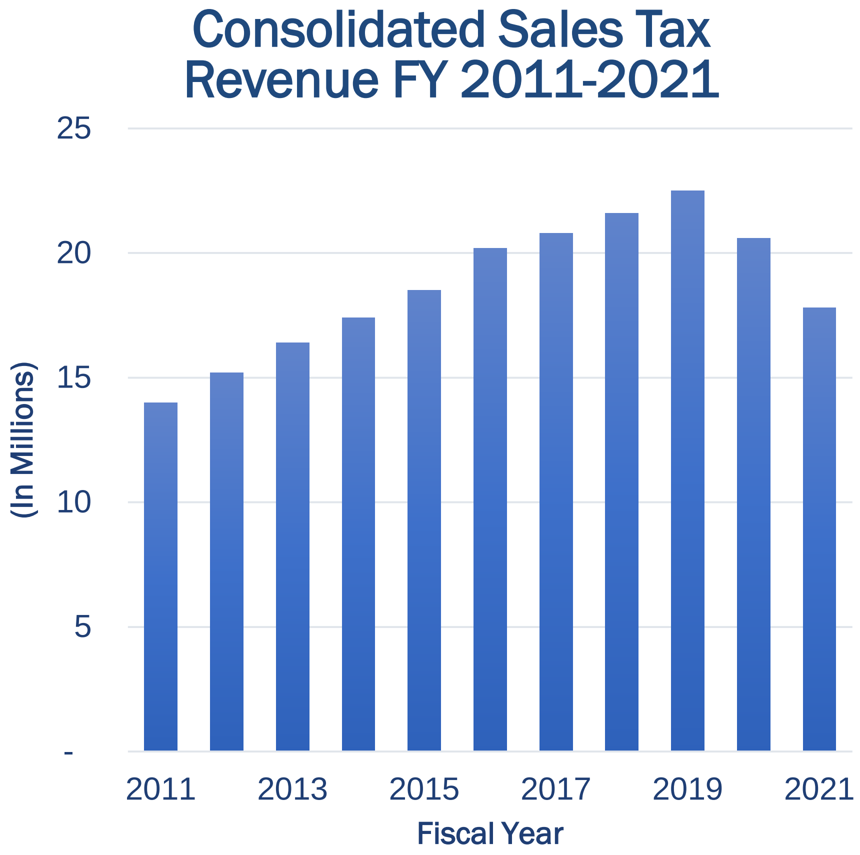
Consolidated Sales Tax Revenue



CTX is a combination of City/County Relief (sales) and miscellaneous taxes distributed to most Clark County public entities according to State formula

- 2020-2021 estimate: $17.8M, a decrease of $6.4M
- CTX revenue accounts for 6.0% of all revenues
- CTX revenue is volatile

All other revenues account for:

- Grants and Gifts, Fines and Forfeits, Interest, Contracts
- $4.3M or 11.5% of the budget

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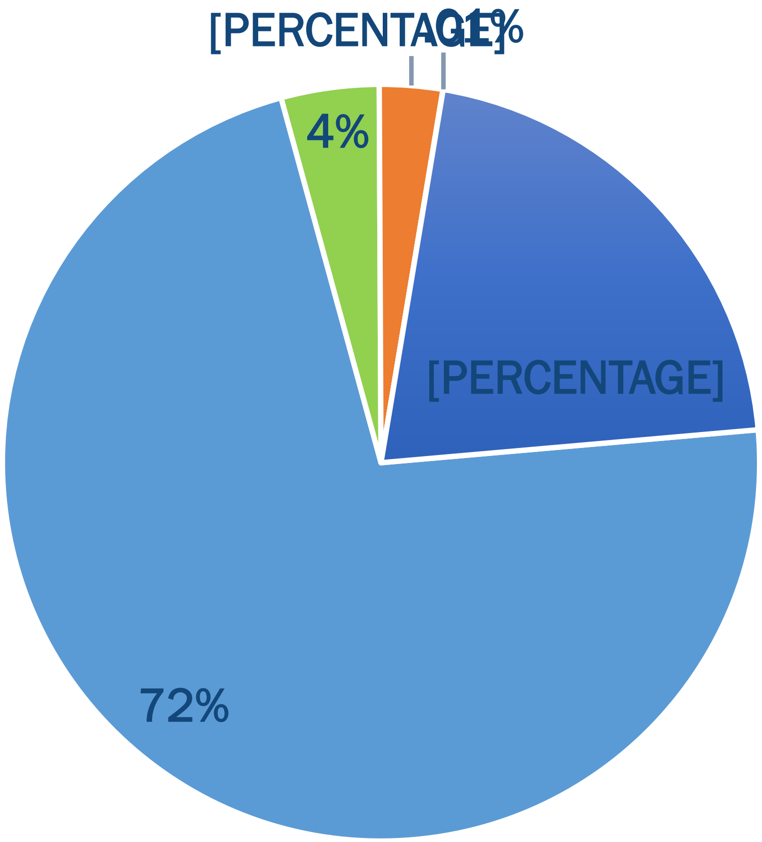
Total Uses of Available Resources – All Funds



Total – $97.2M:

Uses and Fund Balance —

- General Fund – $70.1M
- Capital Projects Fund – $4.1M
- Special Revenue Funds – $2.6M
- Debt Service Fund – $.01M
- Ending Fund Balance – $20.4M

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General Fund

The General Fund is
the operating fund for the District.
It is used to account for all financial resources except for those required to be accounted for in another fund.

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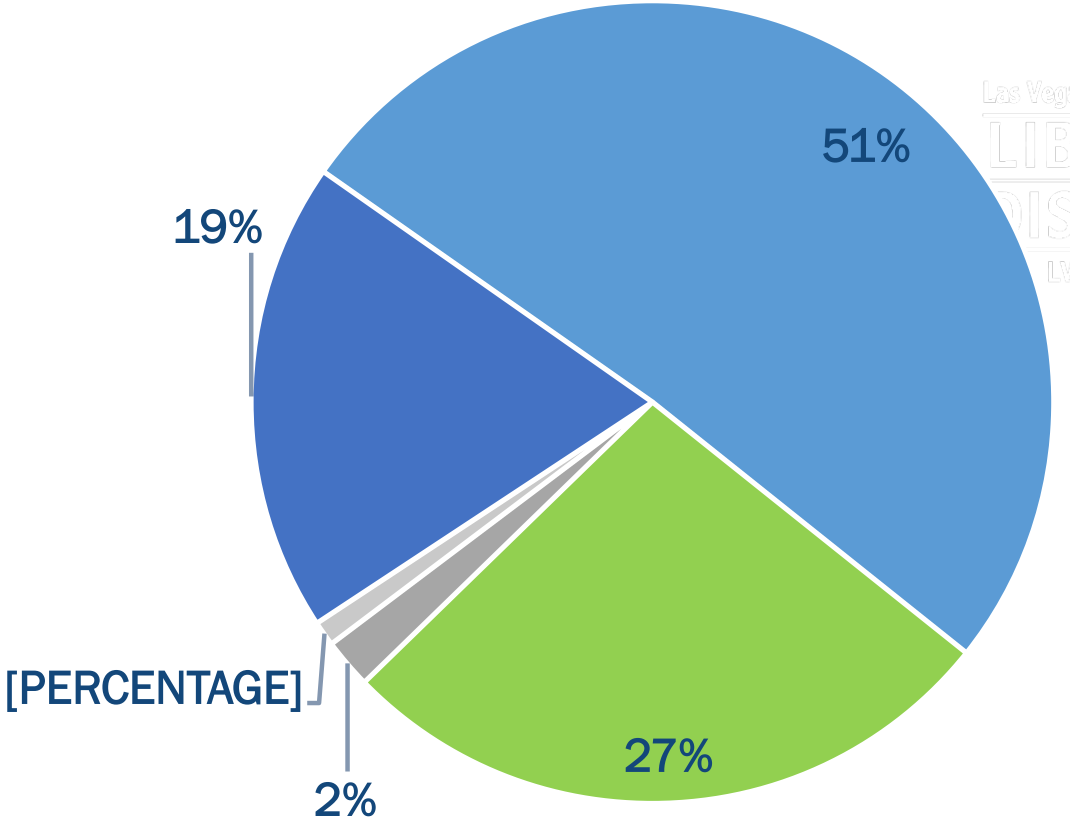
Total Available Resources – General Fund



Total – $85.1M:

Sources

- Property Tax – $49.3M
- Consolidated Sales Tax – $17.8M
- Fines and Forfeits/Misc. – $1.2M
- Charges for Services – $0.6M
- Beginning Fund Balance – $16.2M

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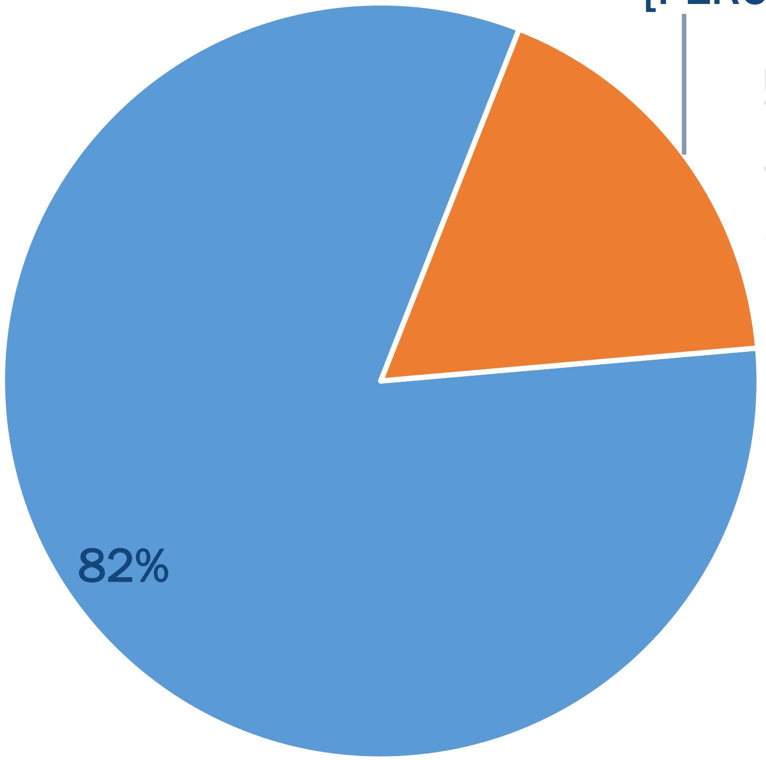
Total Uses of Available Resources – General Fund



Total – $85.1M:

Uses

- **Expenditures – $70.1M**
- **Ending Fund Balance – $15.0M**

* Ending Fund Balance is 18% of Total Available Resources

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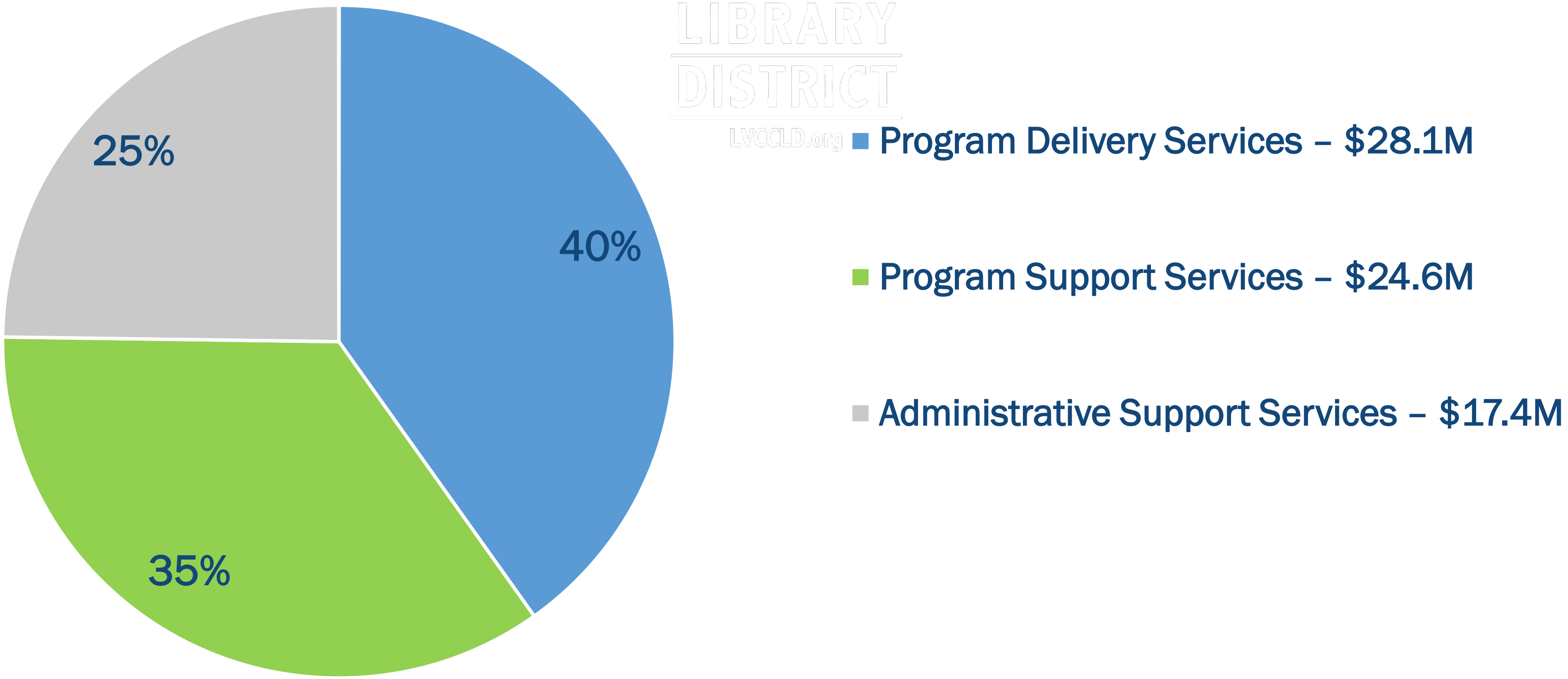
General Fund – By Function

Total Expenditures by Function – $70.1M:



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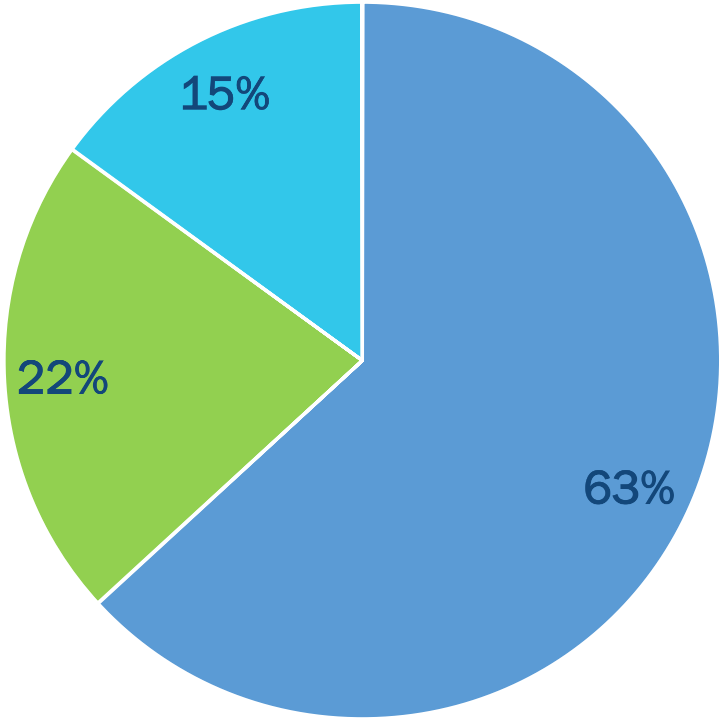
General Fund – By Activity

Total Expenditures by Activity – $70.1M:



Sources

- Salaries and Benefits – $44.3M
- Services and Supplies – $15.3M
- Library Materials – $10.5M

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Expenditure Decreases

General Fund expenditures decreased by $2.7M (3.7%):

- Salaries and benefits decreased by $1.5M (3.3%):
  Primarily due to freezing vacant positions and potential concessions to reduce salary increases and health insurance costs

- Services and supplies decreased by $898K (5.5%):
  Concerted effort to limit contracts to essential services

- Library materials increased by $322K (3.0%)

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Ending Fund Balance

General Fund Budget

- Ending Fund Balance of $15.0M is 21% of FY 2020-2021 expenditures, but 18% of Total Available Resources
- Necessary to provide liquidity for cash outflows
- Acts as a cushion during economic downturns

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Library Materials

Library Materials are considered to be one collection, which is physically and electronically distributed among District branches.

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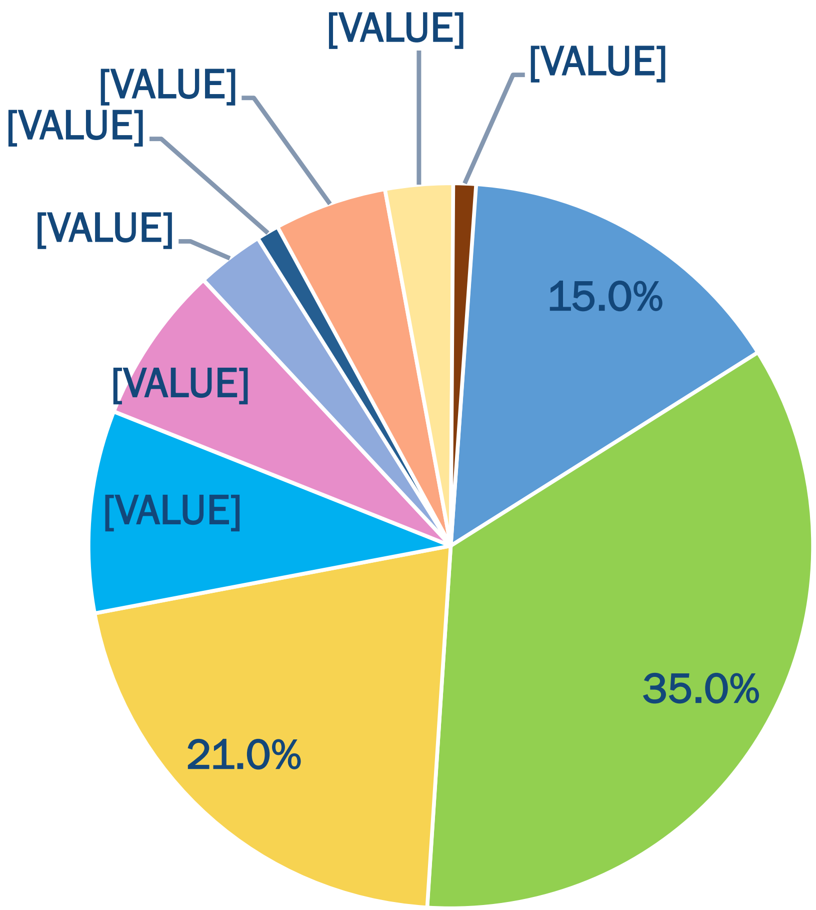
Materials Budget



Materials Allocation $10.5M:

- Adult Print – $1.57M or 15.0%
- Downloadable eBooks & Media – $3.68M or 35.0%
- Electronic Databases & Services – $2.20M or 21.0%
- Adult Audio Visual – $0.95M or 9.0%
- Juvenile Print – $0.74M or 7.0%
- Juvenile Audio Visual – $0.32M or 3.0%
- Reference – $0.11M or 1.0%
- Periodicals – $0.53M or 5.0%
- Languages – $0.32M or 3.0%
- Nontraditional Items – $0.11M or 1.0%

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Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources, which are the Grant Fund and Gift Fund.

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Special Revenue Funds

Special Revenue – $2.6M:

- Literacy (Adult Learning Program) and Other Grants – $1.8M
- Donations in the Gift Fund – $0.8M

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Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general obligation bonds.

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Debt Service Fund

- Last debt service payment made in January 2019

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Capital Projects Fund

The Capital Projects Fund accounts for the acquisition, replacement, or construction of major capital projects and facilities.

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Capital Projects Fund Programs

$8.6M Projected Available Resources:

- Library Services Platform Replacement – $0.0M
- Technology Replacements & Upgrades – $3.4M
- Building Repair & Maintenance – $3.8M
- Capital Construction – $0.0M
- Vehicle Purchase & Replacement – $0.3M
- Library Materials – $0.0M
- Furniture Purchase & Replacement – $0.3M
- Financial Services – $0.3M
- Programming & Venues – $0.5M

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Capital Projects Fund Programs (Cont.)

$4.1M Budgeted Expenditures:

- Library Services Platform Replacement – $0.0M
- Technology Replacements & Upgrades – $1.8M
- Building Repair & Maintenance – $1.4M
- Capital Construction – $0.0M
- Vehicle Purchase & Replacement – $0.05M
- Library Materials – $0.0M
- Furniture Purchase & Replacement – $0.05M
- Financial Services – $0.3M
- Programming & Venues – $0.5M

$4.5M Remaining Fund Balance:

- Reserved to cover Capital Projects Fund Programs in future years.

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Capital Projects Fund Transfers and Budgeted Expenditures FY 2020-2021

	06-30-2020 Est. Ending Funding Balance	2020-21 Transfers	2020-21 Budgeted Revenues	Total Available for FY 2020-21	Program Transfers	2020-21 Budgeted Expenditures	06-30-2021 Est. Ending Funding Balance
Library Services Platform Replacement	281,992			281,992	(281,992)		-
Technology Replacements & Upgrades	1,180,776			1,180,776	2,223,037	(1,747,000)	1,656,813
Building Repair & Maintenance	1,244,904		50,000	1,294,904	2,516,099	(1,427,000)	2,384,003
Vehicle Purchase & Replacement	258,692			258,692		(50,000)	208,692
Library Materials	284,107			284,107	(284,107)	-	-
Furniture Purchase & Replacement	169,158			169,158	100,000	(50,000)	219,158
Financial Services	332,319			332,319		(305,000)	27,319
Community Engagement/Programming and Venues	503,893			503,893		(479,700)	24,193
Capital Construction	4,273,037			4,273,037	(4,273,037)	-	-
Total	8,528,878	-	50,000	8,578,878	-	(4,058,700)	4,520,178

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Budget Analysis

Fiscal Years Comparison

General Fund	Financial Stmt					
	Actual 2018-19	Budget 2019-20	Estimated 2019-20	Tentative 2020-21	Final Budget 2020-21	Projected 2021-22
Revenue	68,548,131	71,390,000	69,337,283	77,155,000	68,900,000	68,900,000
Expenditures	62,939,189	72,794,944	64,709,669	73,157,362	70,084,868	68,900,000
Excess (Deficiency) of Revenues over Expenditures	5,608,942	(1,404,944)	4,627,614	3,997,638	(1,184,868)	0
Less transfers out	6,200,000	6,000,000	3,000,000	11,000,000	0	0
Excess (Deficiency) of Revenues over Expenditures & Transfers Out	(591,058)	(7,404,944)	1,627,614	(7,002,362)	(1,184,868)	0
Fund balance, beginning of year	15,168,032	14,576,974	14,576,974	14,113,869	16,204,588	15,019,720
Fund balance, end of year	14,576,974	7,172,030	16,204,588	7,111,507	15,019,720	15,019,720
Fund balance, end of year Adjusted	14,576,974	7,172,030	16,204,588	7,111,507	15,019,720	15,019,720
	23.16%	9.85%	25.04%	9.72%	21.43%	21.80%

- **Revenue is projecting to remain level thru FY 2021-22**
- **Expenditures are to be reduced down by $4.84M and maintained at that level for FY 2020-21 thru FY 2021-22**
- **No expected transfers to the Capital Projects Fund for two years for FY 2020-21 thru FY 2021-22**
- **Maintain an Ending Fund Balance at a minimum of 20%**

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Final State Budget

General Fund Revenues

REVENUES	(1) ACTUAL PRIOR YEAR ENDING 6/30/19	(2) ESTIMATED CURRENT YEAR ENDING 6/30/20	(3) BUDGET YEAR ENDING 06/30/21 TENTATIVE APPROVED	(4) FINAL APPROVED
Property Taxes	43,021,608	46,610,528	49,300,000	49,300,000
Intergovernmental Resources	23,443,319	20,742,890	25,505,000	17,800,000
Charges for Services	603,862	486,708	670,000	570,000
Fines and Forfeits	757,254	555,000	900,000	450,000
Contributions	211,346	98,745		
Miscellaneous	399,582	745,000	765,000	765,000
Investment Income	111,160	98,412	15,000	15,000
SUBTOTAL REVENUE ALL SOURCES	68,548,131	69,337,283	77,155,000	68,900,000
OTHER FINANCING SOURCES (specify)				
Operating Transfers In (Schedule T)				
BEGINNING FUND BALANCE	15,168,032	14,576,974	14,113,869	16,204,588
TOTAL BEGINNING FUND BALANCE	15,168,032	14,576,974	14,113,869	16,204,588
TOTAL AVAILABLE RESOURCES	83,716,163	83,914,257	91,268,869	85,104,588

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Final State Budget

General Fund Expenditures

	(1)	(2)	(3)	(4)
			BUDGET YEAR	ENDING 06/30/21
EXPENDITURES	ACTUAL PRIOR YEAR ENDING 6/30/19	ESTIMATED CURRENT YEAR ENDING 6/30/20	TENTATIVE APPROVED	FINAL APPROVED
Culture and Recreation				
Salaries and Wages	29,449,204	29,932,511	33,318,685	31,770,974
Benefits	11,182,265	12,402,714	13,032,810	12,499,828
Supplies and Services	12,089,521	12,917,207	15,896,118	15,304,682
Capital Outlay	10,218,199	9,457,237	10,909,749	10,509,384
Subtotal	62,939,189	64,709,669	73,157,362	70,084,868
OTHER USES				
CONTINGENCY (not to exceed 3% of Total Expenditures)				
Operating Transfers Out (Schedule T)	6,200,000	3,000,000	11,000,000	0
ENDING FUND BALANCE	14,576,974	16,204,588	7,111,507	15,019,720
TOTAL FUND COMMITMENTS AND FUND BALANCE	83,716,163	83,914,257	91,268,869	85,104,588

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Cost Reduction Measures

Streamlining the budget to maintain expenditures at the same level as expected revenues over the next two to three years

- Voluntary Employee Separation Program (VESP)
- Voluntary Furloughs
- Freezing Vacant Positions
- No Annual Pay Increases (?)
- No Merit raises (?)
- No increases in healthcare costs (?)

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Questions?

Voluntary Employee Separation Program (VESP) & Voluntary Furloughs

Presented by:
Dr. Ronald R. Heezen, Executive Director
Fred James, CPA, Deputy Director/CFO
Floresto Cabias, CPA, Assistant Finance Director

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Cost Reduction Measures

Due to an expected decline in revenues and challenging economic conditions, Financial Services is proposing options to reduce costs while maintaining essential services.

- Voluntary Employee Separation Program (VESP)
- Voluntary Furloughs

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Voluntary Employee Separation Program (VESP)

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Voluntary Employee Separation Program (VESP)

- VESP will offer employees payment to voluntarily separate based on years of service

- Allows employees to voluntarily leave employment by resignation or retirement
  - Employees have the right to participate or not
  - District will not anticipate any given employee's participation

- Available to all eligible employees

- Eligible District employees:
  - Must be currently employed for a minimum of five years with the District and vested in PERS
  - Must be serving in a permanent position
    - Current part-time employees, who are vested in PERS, are eligible

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VESP *(Cont.)*

- VESP Payment
  - Lump Sum Payment:
    - One full week of compensation based on full-time equivalent status for each year of service
    - Employee can elect to have the District purchase:
      - PERS service credit on their behalf, up to the lump sum payment or less, per PERS policy
      - Up to 18 months of COBRA health insurance with Teamsters 14
- Employees are not eligible for rehire for 36 months from data of separation

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VESP *(Cont.)*

- Application Process
  - Accepted from June 5, 2020 to July 15, 2020
  - Must submit application to the HR Department and provide a copy to their respective department head
  - If accepted, must separate by September 4, 2020
    - This date can be extended for applicant of critical positions at the discretion of the Executive Director

- Position must be vacant until the cost of the position is recovered
  - Position can be filled by employees from other lower level vacant positions at a future date

- Reduction in staffing levels and higher salaries results in permanent savings

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Voluntary Furloughs

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Voluntary Furloughs

- The Executive Director may allow unpaid voluntary furlough leave in 30 day increments, which may be extended depending on operational needs
  - The employee will be notified at least one week in advance whether to return to work or that their furlough has been extended
- Employees are not required to take voluntary furlough hours
- Voluntary furlough hours are not PERS-compensable. Employees will not receive PERS service credit during the period of voluntary furlough
- Voluntary furlough requests must be approved by the employee's department head
- Employees will not receive salaried, hourly compensations, or special pays during periods of voluntary furloughs

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Voluntary Furloughs

- A voluntary furlough shall have no effect on the following:
  - Performance evaluations, merit increases, or annual pay increases
  - Longevity, anniversary, or seniority dates
  - Vacation and sick leave accruals during the voluntary furlough period
  - Holiday eligibility
- A voluntary furlough will not constitute a break in service
- At the expiration of the voluntary furlough, the employee will return to the position held prior to the voluntary furlough
- The District will pay the employer portion of all insurance contributions during the voluntary furlough period

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Voluntary Furloughs

- Employees may request the use of voluntary furlough in conjunction with the Family Medical Leave Act

- The District will continue paying the following benefits:
  - Medical, vision, dental insurance
  - Long-term care
  - Voluntary employee life insurance
  - Voluntary Spouse life insurance
  - Voluntary dependent life insurance
  - District life insurance
  - District dependent life insurance
  - District employee accidental death & dismemberment insurance
  - AFLAC insurance products
  - Bonus hours (paid on the furlough effective date)

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Voluntary Furloughs

- The District will not pay the below listed employee benefits (where applicable):
  - Contributions to PERS and its affect on years of service
  - Flexible spending account
  - Accrual of vacation, sick, and longevity
  - Seniority accrual

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