

MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES' FINANCE AND AUDIT COMMITTEE MEETING
LAS VEGAS, NEVADA
August 8, 2008
(approved September 11, 2008)

The Board of Trustees' Finance and Audit Committee of the Las Vegas-Clark County Library District met in regular session in the Las Vegas Library Boardroom, Las Vegas, Nevada, at 12:00 p.m., Friday, August 8, 2008.

Present: Committee: A. Aguirre A. Arthurholtz
K. Benavidez J. Costello
E. Sanchez (via phone) F. Barron, ex-officio
K. Carter
Counsel: G. Welt
Absent: E. Louis Overstreet
Staff: Daniel L. Walters, Executive Director
Fred James, Deputy Director, CFO
Guests: Richard Bowler & Martha Ford, Piercy Bowler Taylor & Kern

A. Aguirre, Chair, called the meeting to order at 12:08 p.m.

Roll Call All members listed above represent a quorum. Trustee Overstreet had called staff and his absence was excused. Trustee Carter (not a committee member) arrived at 12:09 p.m.

Agenda Trustee Benavidez moved to approve the Agenda as proposed. There was no opposition and the motion carried.

Discussion and possible Committee recommendation regarding the District's upcoming audit for fiscal year ending June 30, 2008, being conducted by Piercy Bowler Taylor & Kern. (Item III.A.) Fred James, Deputy Director, CFO presented the item and introduced Richard Bowler and Martha Ford from District auditors Piercy Bowler Taylor & Kern (Piercy) to answer questions regarding the upcoming audit for the fiscal year ending June 30, 2008.
Mr. James reported that District staff, as in previous years, had held a pre-audit meeting with Piercy staff to discuss areas to review during the audit. Executive Director Walters noted that he asked Piercy to examine component unit issues due to the District's ongoing dispute with the Friends of Southern Nevada Libraries. Walters also said that the Committee meeting is being held so that Trustees can bring up areas to address in the 2008 fiscal year audit and questions they want answered prior to the audit.

Trustee Costello asked about any new GASB auditing standards or requirements for the 2008 fiscal year audit and if the new requirements would change the format or the amount of work required for Piercy. Ms. Ford said that there are new GASB requirements that take effect this year, but that Piercy attempts, for the most part, to implement the requirements as soon as they are announced and not wait until it is required. Ford said that there are no changes or additional work that

she is aware of materially affecting the 2008 fiscal year audit.

Committee Chair Aguirre asked if the planned departure of Mr. Walters would affect how the District handles audits. Mr. Bowler explained that there is always the potential for a change in the risk environment due to the departure of a member of upper management. Bowler noted that Piercy is comfortable with the District's current financial controls and procedures for managing risk. There would be an assessment process once the new Executive Director is in place. Ms. Ford noted that Mr. Walters' departure should not significantly affect the fiscal year 2008 audit.

This item is for discussion only.

Discussion and possible Committee action authorizing staff to joiner onto Clark County's contract with Main Street Capital Advisors for investment advisory services. (Item III.B.)

Mr. James introduced the item to recommend to the Board to authorize staff to joiner onto Clark County's contract with Main Street Capital Advisors (MSCA) for investment advisory services.

Mr. James noted that MSCA president Rick Phillips was formerly a sub-advisor for the Nevada State Treasurer's NVEST program. MSCA currently provides investment advisory services under contract to Clark County which James proposes to join.

Mr. James discussed a change in standards with the NVEST program that resulted in new companies coming in to manage the program. The company James is currently working with is based in Atlanta, Georgia. He believes that MSCA, a Las Vegas-based company, is more knowledgeable about the District's investment requirements and better able to provide service to the District.

In answer to a question from Trustee Costello, Mr. James said that only Capital Projects Fund money would be invested with MSCA, with Mellon continuing to handle General Fund and Debt Service Fund money. Costello also asked about the minimum amount required to invest with MSCA which, according to James, is \$5,000,000.

Trustee Carter asked about the current NVEST contract. According to Mr. James, the contract is with the State of Nevada, not the out-of-state advisor, and is only valid as long as the District has money in the NVEST funds. James also noted that the proposed contract will extend to 2011, with two optional one year extensions. Counsel Welt noted that, similar to the NVEST contract, if the District does not have any money invested with MSCA, the contract is void.

Mr. Walters advised Trustees the item will be on the consent agenda for the August 12 Board meeting due to the review and discussion at the Committee meeting.

Trustee Costello moved to forward to the Board of Trustees approval authorizing staff to joiner onto Clark County's contract with Main Street Capital Advisors for investment advisory services as of August 1, 2008, and authorizing staff to extend the contract up to two (2) one-year periods beginning August 1, 2008; and in subsequent years subject to

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funding being available and the contractor continuing to meet performance standards outlined in the contract agreement. There was no opposition and the motion carried.

**Public Comment
(Item IV.)**

None.

**Adjournment
(Item V.)**

Committee Chair Aguirre adjourned the meeting at 12:25 p.m.

Respectfully submitted,

Aldo Aguirre, Committee Chair