

**PRELIMINARY DETERMINATION PUBLIC HEARING
OF THE BOARD OF LIBRARY TRUSTEES OF THE ALLEN COUNTY PUBLIC
LIBRARY**

Meeting of April 21, 2022

The Board of Library Trustees of the Allen County Public Library met in special session on Thursday, April 22, 2022 beginning at 3 pm in the Main Library for a Preliminary Determination Public Hearing. Present: Mr. Eisbart, presiding, Mr. Castleman, Mr. Seifert, Ms. Shamanoff, Mr. Williams, Ms. Tucker, and Mr. Moss.

President Ben Eisbart called the meeting to order.

Mr. Eisbart welcomed everyone to the meeting, and opened the public hearing.

On the motion of Mr. Seifert, the agenda was adopted as presented. Roll call vote was recorded:

Mr. Castleman – Second.

Mr. Eisbart – Aye.

Mr. Seifert – Aye.

Mr. Williams – Aye.

Ms. Tucker – Aye.

Ms. Shamanoff – Aye.

Mr. Moss – Aye.

Overview of ACPL Facility Master Plan and Project Funding: Executive Director Susan Baier

Executive Director Susan Baier welcomed everyone, and gave introductory remarks regarding the first of two public hearings required by law for this project. The second meeting will take place on 4/28/2022 at 3:00 pm prior to the start of the regular monthly board meeting. A presentation will take place during both meetings regarding the general scope of the anticipated project, estimated cost of the project and the funding sources for the project. At the conclusion of these presentations, the public will have an opportunity to provide comments and ask questions regarding information in the presentation. Following those public comments, the board will provide comments and ask questions. Ms. Baier also stated that the Master Facilities Plan can be found in its entirety at YourACPL.org.

Overview of the Project – Chief of Public Service Operations Kim Bolan

Ms. Kim Bolan, Chief of Public Services Operations stated that the Allen County Public Library's Facilities Master Plan was received by the Library Board of Trustees on April 7, 2022. The plan was built on the foundation of community input aligning responses with current building conditions, demographic trends, and the evolving service priorities of Allen County residents. Overall, the plan recommends a combination of building renovations and expansions as well as the addition of a 15th branch. Specifics of the Master Plan include the construction of a

new 25,000 SF Aboite Branch, a new 25,000 SF Dupont Branch, and a new 20,000 SF Shawnee Branch. Sites for all three libraries are to be determined and will remain within their service areas. With Shawnee, the future site will be as close as possible to its existing location.

For the Georgetown Branch, the preference is to expand the existing building in place to increase its size to 25,000 SF. This will require the acquisition of adjacent property not yet owned by the Library. If this preferred option is unachievable, the alternative is to build a new 25,000 SF branch on a to be determined site as close to the current Georgetown Branch as possible. A 4,000 SF expansion and renovation of the Grabill Branch on its current site is recommended as is a comprehensive renovation of the existing Hessen Cassel Branch, which would include a targeted reconfiguration of this building as well as system upgrades and/or replacements to improve building conditions and enhance service delivery to its patrons. A new 15th branch is proposed for the Hometown area. The new library would be a minimum of 15,000 SF in size and designed to anticipate expansion for up to 25,000-30,000 SF. The site for this library is to be determined. The recommendations for the Little Turtle, Monroeville, New Haven, Tecumseh and Woodburn branches include facility renovations focusing on targeted reconfigurations and system upgrades. A renovation and small expansion of 2,500 SF is recommended for the Waynedale Branch. These projects will focus on enhancing services for patrons and improving building conditions through system upgrades and/or replacements. Priorities for the Main Library include making targeted facility enhancements to improve building navigation and access to collections, adding medium and small meeting rooms, and bettering the overall patron experience. At its core, this Master Plan embodies a commitment to community and staff engagement and an understanding of the needs and wants of Allen County residents. As we move forward to realize this plan and enter the design phases for each location, there will be ample opportunities for additional public involvement and input.

Funding - Chief Financial Officer Dave Sedestrom

Mr. David Sedestrom said that as you can tell from the presentation, this County-Wide Library Transformation Project is quite extensive and touches all of our facilities. Our consultants, Bostwick Design, have estimated a maximum cost for this work to be approximately \$118 million. This estimate includes not only hard costs, such as actual construction materials and labor but also soft costs which include such items as architectural and design fees, permits, furniture & fixtures, moving costs, etc. The estimate does not include the costs associated with land acquisition nor the proceeds of the sale of existing land and facilities the Library currently owns. The plan calls for 3-4 current locations to be relocated (DPT, ABT, SHW, & possibly GEO) and the addition of a new Hometown area branch. This will involve acquiring land for the new locations and the eventual sale of the existing land and facility. The estimate we have included is that the net cost for these purchases and sales will be approximately \$5 million. The final cost component to be considered is the costs associated with the issuance of any bonds or other debt instruments the Library will need to utilize in order to finance this project. These costs will include such items as underwriting fees and discounts, bond counsel & financial advisors fees, rating agencies fees, etc. and are estimated to be approximately \$2 million based on the projected size of the bond issue. Combining these three cost components results in a maximum total project cost of \$125 million. In order to pay for this project, the Library will utilize two sources of funds – Library contributions and proceeds from any debt issuance. The

Library, through conservative and diligent cost containment efforts over the past number of years, has accumulated over \$21.5 million in funds available to put towards this project. In addition, since the implementation of this project is slated to take place over an 8/10- year period, we have projected that additional Library funds will be generated which can be devoted to this endeavor. These will come from continued cost containment efforts, interest earnings on existing reserves, and interest earnings on bond proceeds during construction. The additional funds that will be available for the project is estimated to be \$5 million. Finally, if we consider the total maximum cost of the project being \$125 million and the Library contributions being \$26.5 million, that results in the Library needing to generate \$98.5 million from the issuance of bonds. Of course, the issuance of debt will inevitably bring about the question “how does this impact me as a taxpayer?” At this point he turned the presentation over to Todd Samuelson from Baker & Tilley, financial advisors for the library, to provide insights to help explain some of these impacts.

Presentation from Baker Tilley on Bond Financing and Tax Information

Mr. Todd Samuelson from Baker Tilly spoke as a financial advisor to ACPL. He gave information about the project regarding the proposed financing, and how that will affect taxpayers. The information also helps to provide options and recommendations regarding financing. There was chart to show the Historical Certified Net Assessed Value of ACPL (last five years). It showed that the property tax base for the ACPL has shown a healthy increase of over \$4.5 billion over the last five years, from 2018 to 2022 (7%). Mr. Samuelson showed Historical Levy and Total Tax Rates, also estimating a tax rate impact for the proposed bonds of around \$0.04 cents. He then showed a Calculation of General Obligation Bonding Capacity. ACPL has a Pay 2022 grossed assessed valuation of \$32,913,954.384, and the net general obligation bonding capacity is \$127,596,297. Mr. Samuelson presented Summary of Proposed Financing:

Maximum Borrowing Amount - \$98,800,000

Assumed Library Contribution- \$26,500,000

Total Estimated Maximum Project Costs - \$125,000,000

Estimated Repayment Term (2) – 23 years, 6 months

Maximum Interest Expense (2x3) \$87,774,000

Maximum Annual Debt Service Payment (3) - \$8,103,000

Maximum Aggregate Debt Service Payment (3) - \$186,274,000

Estimated Maximum Debt Service Tax Rate (4) - \$0.0402

In terms of the annual payment, there was a Chart of Proposed Debt Service Payments which showed how the \$98.5 million will be repaid over the total 23.5-year life of the bond issues. Lastly, the Summary of Estimated Taxpayer Impact chart illustrated what the \$0.04 would translate to in terms of different types of taxpayers for the library system. Mr. Samuelson spoke about how the rate would affect each level of home, commercial property, and agricultural land value. Mr. Sedestrom made a comment at the end of the presentation to the board regarding how the impact of the \$26.5 million that ACPL is putting forth will lower the median household tax impact by over 21%.

Public Comment

Three members of the public provided comments regarding the presentation from Baker Tilley on Bond Financing and Tax Information.

Ms. Tucker said that this was one of the best presentations on tax information, and it was very interesting the way it was presented.

Mr. Seifert asked what percentage of \$19 billion County assessed value is at the tax cap already? Mr. Samuelson did not have the information available at that time. Mr. Sedestrom said that report should be available by 05/01/2022 from DLGF.

Mr. Castleman commented that it was important to note that ACPL is contributing about 20% of the cost – about the same down payment amount required by a conventional mortgage. That typically is not the case in big public building projects, he said.

In closing Mr. Eisbart reiterated that the next public hearing will take place 4/28/2022 prior to the regular board meeting. Ms. Tucker entertained a motion to adjourn.

Ms. Tucker – Aye.

Mr. Castleman – Aye.

Ms. Shamanoff – Aye.

Mr. Eisbart – Aye.

Mr. Williams – Second.

Mr. Moss – Aye.

Mr. Seifert – Aye.

Adjourn – 3:57 pm

Martin Seifert, Capital Projects Committee Chair