

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

Meeting of April 28, 2022

The Board of Library Trustees of the Allen County Public Library met in special session on Thursday, April 28, 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, and Mr. Moss. Ms. Tucker was absent.

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 – Aye.

Mr. Eisbart – Aye.

Mr. Seifert – Aye.

Mr. Williams – Second.

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 second of two public hearings required by law for this project. A second presentation meetings regarding the general scope of the anticipated project, estimated cost of the project and the funding sources for the project. Ms. Baier said that during the regular board meeting following this hearing, the board will consider adopting a preliminary determination reimbursement resolution. At the conclusion of this presentation, 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 in Huntertown. 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.

The preference for the Georgetown Branch is to expand the existing building to increase its size to 25,000 SF which will require the acquisition of adjacent property not yet owned by the library. If this is unachievable, the alternative is to build a new 25,00 SF branch on a to be determined site as close to the existing Georgetown Branch as possible. A 4,000 SF renovation and expansion of the Grabill Branch and a 2,500 SF renovation and expansion of the Waynedale branch are also recommended. Targeted reconfigurations and system upgrades are planned for the Little Turtle, Monroeville, New Haven, Tecumseh, Pontiac, Hessen Cassel, and Woodburn branches. Main Library priorities include facility enhancements to improve building navigation, access to collections, and overall patron experience. This Master Plan was built on the foundation of community input, the assessment of current building conditions, demographics trends, and the evolving services priorities of Allen County residents. It is important to know the Library's commitment to public engagement will not end here. As we move forward to realize this plan, there will be ample opportunities for additional public involvement and input.

Funding - Chief Financial Officer Dave Sedestrom

Mr. David Sedestrom said that 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. What the estimate does not include are the costs associated with a net 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 about approximately \$5 million. The last cost component is the costs associated with the issuance of any bonds, while there is reserves on hand, we will need to seek to financing for this project. These costs will include such items as underwriting fees and discounts, bond counsel & financial advisors fees, rating agencies fees, etc. and those 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 these projects. 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 the taxpayer, or the business owner?” 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 his second presentation regarding information about the project regarding the proposed financing, and how that will affect taxpayers. He reviewed the information from the previous hearing on 4/21/2022. The information given 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. Included in these notes are summation of the PowerPoint presentation:

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

N/A

Board Comment

Mr. Moss had a question regarding the cost of issuance; is the 2% (\$2 million) the max amount? Mr. Samuelson said yes. It is a typical percent of the bond.

Mr. Eisbart asked what was the rating of the previous bonds; Mr. Samuelson said the rating was AA.

Mr. Castleman suggested that the public watch the first hearing online. He said that there were comments/questions from the public and board members that would be worth their time to watch and review. He also wanted to thank library leadership for operational efficiency over the years.

Mr. Samuelson returned to a question regarding the circuit breaker cap. If taxpayers are at the circuit breaker cap now, then there is no further impact to them. Mr. Sedestrom said that the amounts still were not available as of 04/27/2022.

Mr. Seifert wanted to reiterate that this presentation is based on very conservative estimates in his opinion.

Mr. Eisbart proceeded to close the meeting. Mr. Castleman entertained a motion to adjourn.

Mr. Castleman – Aye.
Ms. Shamanoff – Aye.
Mr. Eisbart – Aye.
Mr. Williams – Aye.
Mr. Moss – Second.
Mr. Seifert – Aye.

Adjourn – 3:40 pm




Martin Seifert, Capital Projects Committee Chair