

BOARD OF FINANCE MEETING
Meeting Room 1B
5:45 pm
January 17, 2018

**Monthly Board of Trustees Meeting will immediately
follow**

AGENDA

1. Call to Order – John Walsh
2. Election of President and Secretary of Board of Finance
-- John Walsh
3. Review Investment Report -- Gary Lettelleir
4. Adjournment

**MONROE COUNTY PUBLIC LIBRARY
FINANCE AND INVESTMENT REPORT
CALENDAR YEAR 2017**

The total cash balance for all funds at the end of 2017 is \$8,753,161. The year-end cash balances for the previous three years were:

12-31-16	8,430,875
12-31-15	\$ 7,263,600
12-31-14	\$ 5,295,345

The following table shows where the Library's funds are invested and the current earnings rate:

Bank	Investment type	Earnings	Investment Balance	
		Rate	12-31-17	12-31-16
MainSource	C.D. - matures August 2018	1.10%	\$ 250,000	
MainSource	C.D. - matures Sept 2018	1.20%	\$ 250,000	
Old National	C.D. - matures August 2017	0.90%		\$ 500,000
MainSource	C.D. - matures January 2018	0.80%	\$ 250,000	\$ 250,000
MainSource	C.D. - matures February 2018	0.85%	\$ 250,000	\$ 250,000
MainSource	C.D. - matures January 2018	1.00%	\$ 200,000	\$ 200,000
MainSource	C.D. - matures January 2017	0.75%		\$ 200,000
MainSource	money market savings	0.65%	\$ 6,941,256	\$ 6,545,224
			\$ 7,641,256	\$ 7,945,224

Interest revenue for 2017 was \$66,396. Investment earnings for the previous three years were:

12-31-2016	\$ 33,264
12-31-2015	\$ 16,789
12-31-2014	\$ 25,152

Finance and Investment Policy

Board of Finance

The duly appointed members of the Monroe County Public Library Board of Trustees are the fiscal body of the Library and thus constitute "The Board of Finance". The members serve without compensation. (IC 5-13-7-5), (IC 36-1-2-6)

Annual Meeting

The Monroe County Public Library Board of Finance shall meet annually immediately following the January Board of Trustees Meeting to elect a president and secretary, review the written report of the Library's investments during the previous calendar year and review the Library's investment policy. (IC 5-13-7-6), (IC 5-13-7-7)

Fiscal Officer

The duly elected treasurer of the Monroe County Public Library Board is the fiscal officer of the Library. (IC 36-12-2-22) The Treasurer shall serve without compensation.

Deposits

All funds received by the Library shall be deposited in one or more designated depositories not later than the business day following receipt and shall be deposited in the same form in which they were received. (IC 5-13-6-1)

Investments

The Treasurer is authorized to invest Library funds in the following (IC 5-13-9);

1. United States Government Securities or discount notes backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by:
 1. The United States Treasury;
 2. a federal agency;
 3. federal instrumentality
 4. a federal government sponsored enterprise.
2. Repurchase Agreements (including standing repurchase agreements, commonly known as sweep accounts):
 1. With depositories designated by the State Board of Finance as depositories for state investments under IC 5-13-9.5; and
 2. Involving the political subdivision's purchase and guaranteed resale of any interest-bearing obligations issued; or fully insured or guaranteed; by the United States, a United States government agency, an instrumentality of the United States, or a federal government sponsored enterprise.
3. Money Market Mutual Funds in the form of securities of or interests in an open-end, no-load, management-type investment company or investment trust registered under the provisions of the federal Investment Company Act of 1940, as amended (15 U.S.C. 80a et seq.) These investments shall be made in depositories designated by state board of finance as depositories under IC 5-13-9.5.

Investments made by the Library's fiscal officer must have a stated final maturity of not more than two (2) years after the date of purchase of entry into a repurchase agreement (IC 5-13-9-5.6) except for investments with a final maturity more than (2) years but not more than (5) years which may not exceed 25% of the total portfolio as permitted by (IC 5-13-9-5.7).

Interest Earnings

All interest earnings derived from an investment by the Library's fiscal officer shall be receipted to the Operating Fund.

Depositories

All public funds of the Monroe County Public Library shall be deposited in the designated depositories located in the territorial limits of the Library District. (IC 5-13-8-9)

Investment Cash Management

The Monroe County Public Library Board of Finance may contract with a state designated depository for the operation of an investment cash management system. (IC 5-13-9-4) Investment decisions and record keeping shall follow IC 5-13-9-4.

Transaction Accounts

The fiscal officer of the Library shall maintain deposits that are invested or reinvested in at least two (2) of the Library's designated depositories. (IC 5-13-9-4)

Electronic Transfer of Library Funds

The following type of transactions may be conducted by electronic transfer between financial institutions in order to expedite the transfer of funds as well as maximize interest earnings:

1. Transfer to cover expenditures for payroll for library employees.
2. Transfer to pay debt service payments.
3. Other transfers with the approval of the Library director.

The fiscal officer will maintain appropriate documentation of the transactions so these may be audited as required by statute. (IC 36-12-3-16.5)

Investment Policy Expiration Date

This investment policy expires October 1, 2019

Reviewed by [Board of Trustees](#) 1/20/2010; 6/15/2011; 1/18/2012; 1/16/2013; 1/15/2014; 1/21/2015; 1/20/2016; 1/18/2017.

2018 Board Finance Report – first pictures – then numbers.

Library New Construction Data – From the November Edition of Library Journal

<http://lj.libraryjournal.com/#> . I did some research on 3 of the new Branches to get more information on how they were financed and to get some cost per sq ft data. The excel at the end shows new construction data from the Library Journal article.

Imperial Beach CA – 14,500 square feet at 579.31 / sq ft



Finance Plan – it's complicated - Construction for this project is anticipated to begin in 2014 and be completed in 2015. The total cost of the project is \$9.5 million, and to date \$1.1 million has been funded. Appropriations of the remaining \$8.4 million needed, based on ongoing General Purpose Revenue, is recommended for Fiscal Year 2013-14," the proposed budget said.

Monticello, IL – 12,350 square feet at 199.00 / sq ft

Picture – next page

The Allerton Public Library District's three-year search for land ended Dec. 21 when library trustees bought a 10.98-acre piece of property on the west edge of town. The plot, located at 4000 Green Apple Lane and formerly owned by the Carle Foundation was purchased for \$250,000.

Plans are to eventually construct a library of about 14,000 square feet, according to library director Lisa Winters, although she added that they will build only what is within their budget and can be maintained without raising the district's tax rate.

"It's exciting to move on to the next point, because I would really like to see a new library before I am gone," said Winters, who has worked at the facility since 1977, the last 15 years as director.

A significant assist in the building process will come from the estate of Max Hency, a 1941 Monticello High School graduate who died in 2005 and left \$2.9 million to the library through his estate.

The library has been at its current location at 201 N. State St. since the building was constructed in 1897. At that point it took up a small portion of the ground floor and was funded by the opera house that also operated out of the structure. The Allerton Library renovated and expanded into the former opera house area in the 1940's, and now takes up about 5,000 square feet of the building.

Winter said trustees originally looked for another centrally-located site in which to relocate



Columbus Ohio – 24,870 square feet at 303.00 / sq ft
Construction cost \$7.5 million

Picture – next page

The Northside Branch was originally completed in 1990. The upcoming demolition and new construction will more than triple the size of the branch from 7,728 square feet to approximately 25,000, increase parking and offer more room for programs and services. Turner is the construction manager at risk, NBBJ is the architect and Pizzuti Companies is the owner's representative.

The Northside Branch project is part of CML's 10-project aspirational building program. The new Driving Park Branch opened in July 2014, renovations formally began on Main Library in February 2015 and the new Whitehall Branch opened to the public in April 2015. Additionally, CML broke ground on its Parsons and Northern Lights branch projects in June 2015 and on its new Shepard Branch in October. Still to come are groundbreakings for CML's Hilliard, Dublin and Martin Luther King branch projects, which the library hopes to take place within the next few years.



The new Northside Branch has:

- Approximately 25,000 square feet of space (the former branch had 7,728)
- More parking spaces
- More public computers
- A larger Homework Help Center
- A dedicated Ready for Kindergarten area
- Larger community gathering space

Monroe County Public Library			
Bond Renewal / New Branch Planning			
Dollars\$\$\$\$ to Square Foot Chart			
12-4-2017	Sq Ft	Cost/Sq Ft	Estimated
			Construction Cost
Ellettsville Branch (pre-2018 expansion)	12,000		
New Branch Options	6,000	300	\$ 1,800,000
New Branch Options	12,000	300	\$ 3,600,000
New Branch Options	18,000	300	\$ 5,400,000
New Branch Options	24,000	300	\$ 7,200,000

The pictures on the following 2 pages are from

<https://americanlibrariesmagazine.org/2017/09/01/2017-library-design-showcase/>

2017 Library Design Showcase



Wow Factor

Vaughan (Ont.) Civic Centre Resource Library

The Vaughan Civic Centre Resource Library's sloped exterior cuts an impressive figure across the Canadian sky. Inside the two-story facility, a plethora of tools for 21st-century learning—3D printers, a media suite, and audio and video recording studios—are available, while movable book stacks allow staffers and patrons to morph spaces to suit their needs.

Project: New construction

Architect: ZAS Architects Inc.

Size: 35,572 square feet

Cost: \$15.2 million Canadian (\$12.2 million US)

Photo: Doublespace Photography Image 1 of 84



Wide-Open Spaces

Toledo–Lucas County (Ohio) Public Library, King Road Branch

The King Road branch library’s airy new facility provides plenty of room to display materials in a manner mimicking a retail space, while also housing a 182-person meeting room, flexible meeting spaces, 14 computers, a studio with audio recording capabilities, and a garage for four outreach service vehicles.

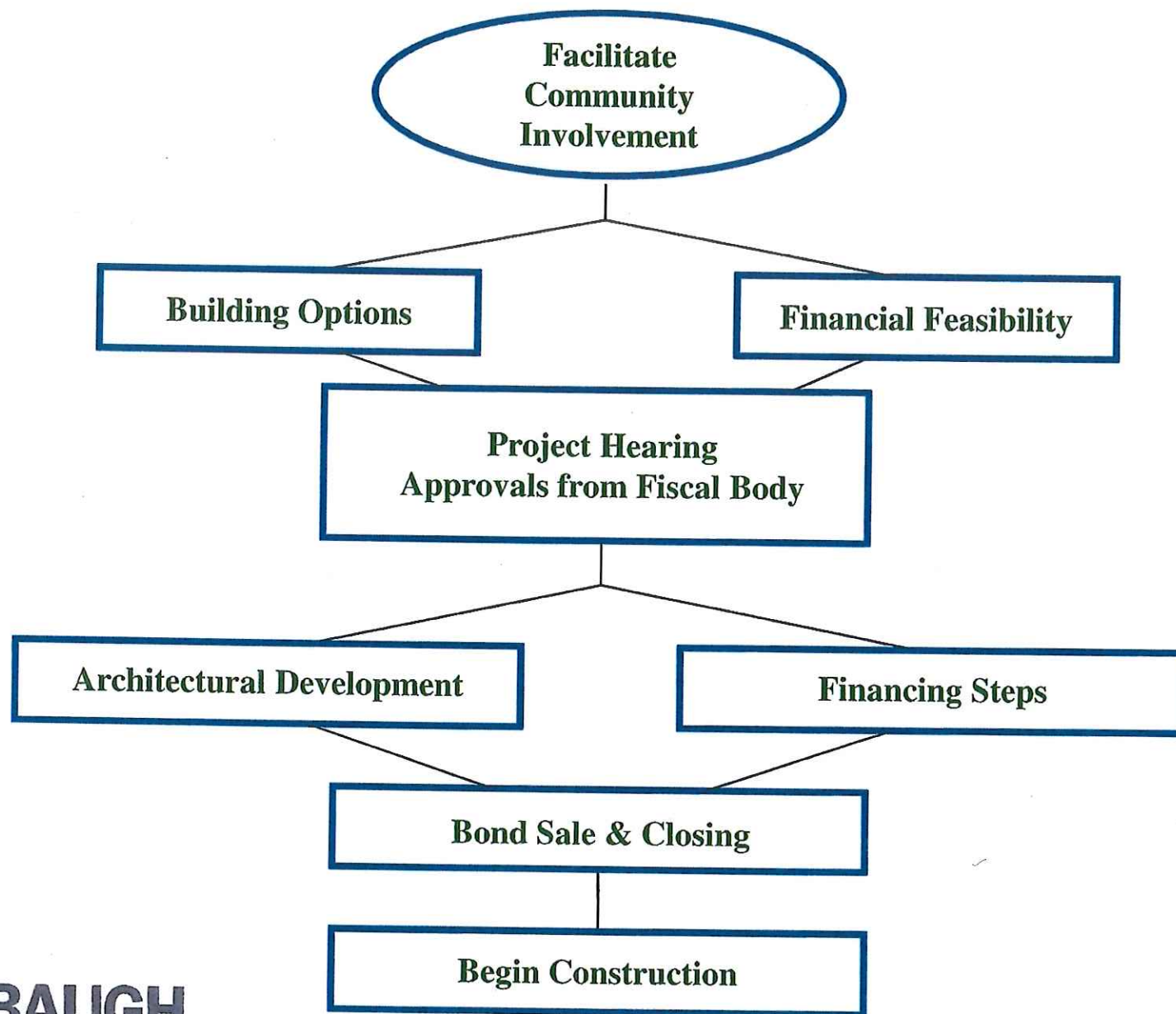
Project: New construction

Architect: HBM Architects, Buehrer Group

Size: 23,000 square feet

Cost: \$8 million

Photo: Bob Perzel Image 46 of 84



Methods of Financing Library Construction

CASH:

Capital Projects Fund →

Library Improvement Reserve Fund →

Grants →

LOAN or BORROWING:

General Obligation Bonds →

Lease Rental Bonds →



General Obligation Bonds

- Normally utilized for smaller construction and renovation projects due to constitutional debt limitations

Constitutional Debt Limit:

- 2% of 1/3 of True Tax Value (Market Value)

Example: Library's True Tax assessed value divided by 3 times 2% equals their constitutional debt limit, less any current principal amount of General Obligation Bonds outstanding

Net assessed valuation	\$6,718,593,869
Divided by	÷ 3
Times	<u>x 2</u>
General Obligation debt limit	44,790,626
Less: Outstanding GO principal	<u>(1,010,000)</u>
General Obligation Capacity	<u>\$43,780,626*</u>

* As of the date of this Report. Tax Warrants and Lease Rental Bonds do not impact general obligation bonding capacity.

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Lease Rental Bonds

- Majority of construction projects are financed with Lease Rental Bonds
- Advantages:
 - No Statutory or constitutional debt limit, ability to finance projects that exceed the library's ability to issue General Obligation Bonds
- Disadvantages:
 - Financing is more complex
 - Additional state statutory and constitutional law requirements must be satisfied.
 - More expensive

Monroe County Public Library

Sources of Project Financing

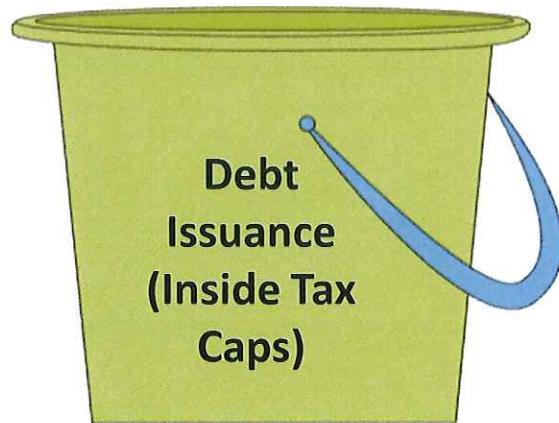
November 2017

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Overview of Funding Sources



- Supported by property tax
- Short or long term financing for projects
- Must be approved by applicable legal process
- Considered a protected fund and thus has priority in receiving property tax revenues



- Not supported by property tax
- Used for capital expenditures and library repairs
- Funded by transfers from the Operating Fund
- There is no suggested minimum reserve balance



- Not supported by property tax
- Used for various ongoing and smaller projects
- Funded by transfers from the Operating Fund
- State limits the amount that can be transferred in annually
- There is no suggested minimum reserve balance

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Other Considerations

- How much will the project cost?
- How much of the cost will be funded by cash on hand, bonds and/or grants and gifts?
- What fund balance targets will be maintained while setting aside monies for the project?
- How much will be needed to operate and maintain new facility?

Monroe County Public Library

Preliminary Financing Options

November 16, 2017

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MONROE COUNTY PUBLIC LIBRARY

CALCULATION OF GENERAL OBLIGATION BONDING CAPACITY

2018 Certified Net Assessed Value (1)	\$6,857,203,562
Divided by 3	3
Times: 2% general obligation debt issue limit	<u>2%</u>
General obligation debt issue limit	45,714,690
Less: Outstanding general obligation debt	<u>(1,010,000)</u>
Estimated general obligation bonding capacity (2)	<u><u>\$44,704,690</u></u>

(1) 2018 certified net assessed valuation per the Department of Local Government Finance.

(2) As of January 1, 2018.

MONROE COUNTY PUBLIC LIBRARY

SUMMARY OF OUTSTANDING DEBT

(Unaudited)

<u>Year</u>	<u>General Obligation Bonds of 2015</u>
2017	\$688,500
2018	<u>685,150</u>
Total	<u><u>\$1,373,650</u></u>

MONROE COUNTY PUBLIC LIBRARY
SUMMARY OF ILLUSTRATIVE FINANCING OPTIONS

(Assumes December 2018 Issuance)

\$2,000,000 General Obligation Bonds of 2018	Option 1	Option 2
Repayment Term	5 years, 1 months	6 years, 1 months
Estimated Interest Expense	\$104,363	\$129,832
Estimated Maximum Annual Debt Service Payment (1)	\$681,598	\$683,716
Estimated Capacity for Future Borrowing (2)	\$7,430,000	\$7,340,000

(1) Based upon estimated market interest rates as of the date of this presentation, plus 0.50% - 1.00%.

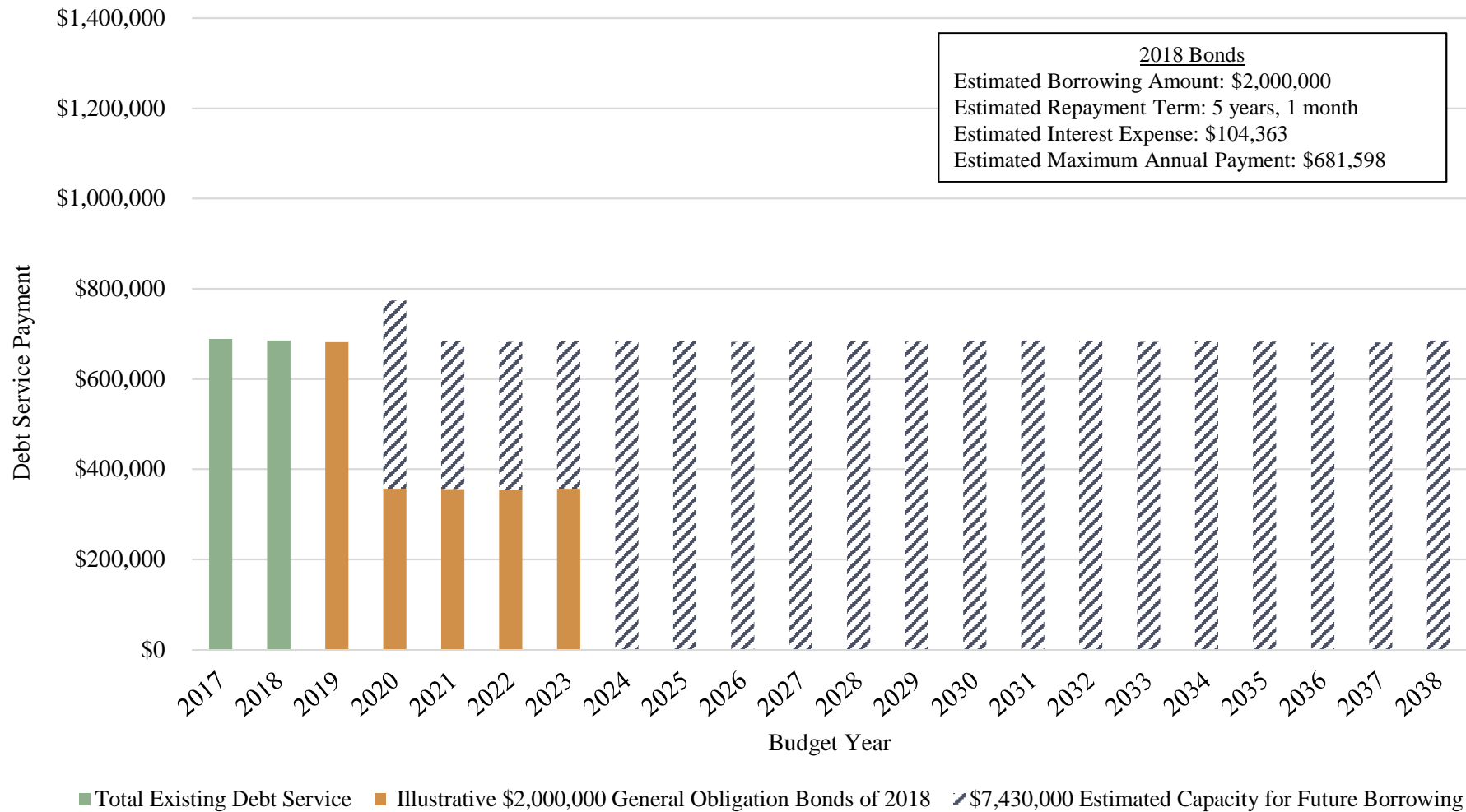
(2) Assumes annual payments on future bond(s) will not increase over 2018 levels.

MONROE COUNTY PUBLIC LIBRARY

Option 1

SCHEDULE OF EXISTING AND ILLUSTRATIVE DEBT SERVICE PAYMENTS

(Unaudited)



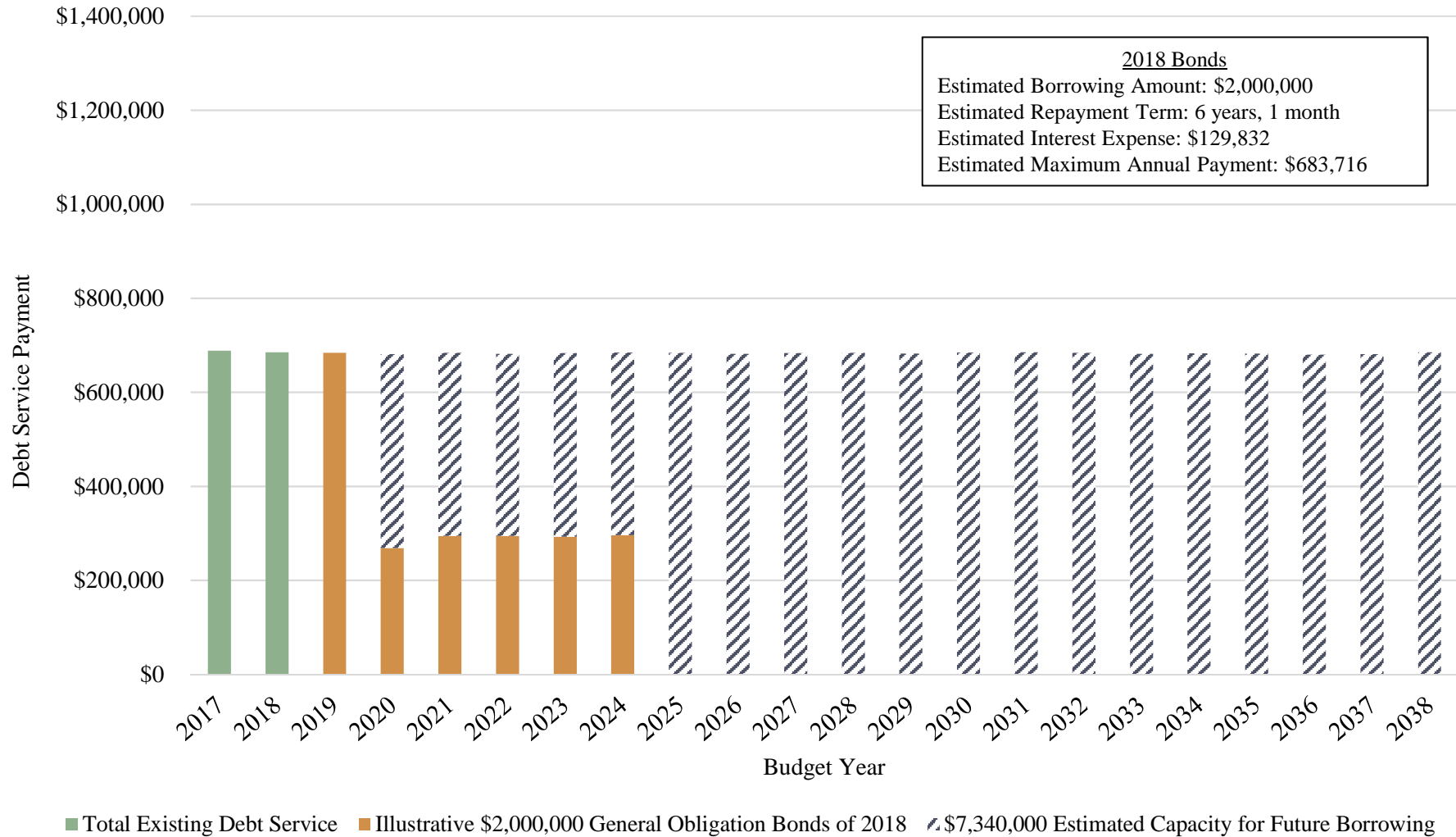
Note: The total estimated maximum debt service fund tax levy is not expected to increase over 2017 levels; thus no tax impact is projected.

MONROE COUNTY PUBLIC LIBRARY

Option 2

SCHEDULE OF EXISTING AND ILLUSTRATIVE DEBT SERVICE PAYMENTS

(Unaudited)



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Public Library Data | Year in Architecture 2017

Symbol Code: B—Branch Library; BS—Branch & System Headquarters; M—Main Library; MS—Main & System Headquarters; S—System Headquarters; O—Combined Use Space; n/a—not available

Community	Pop in K	Code	Project Cost	Const. Cost	Gross Sq. Ft.	Sq. Ft. Cost	Equip. Cost	Other Costs	Federal Funds	State Funds	Local Funds	Gift Funds	Architect
CALIFORNIA													
Imperial Beach	27	B	9,230,000	8,400,000	14,500	579.31	750,000	80,000	0	0	8,980,000	250,000	Jeff Katz; domusstudio; Delawie
Long Beach	100	B	17,500,000	15,157,594	24,655	614.79	1,200,000	1,142,406	8,860,000	0	8,640,000	60,000	LPA, Inc.
Quartz Hill	11	BS	13,781,573	8,344,667	12,514	666.83	1,088,889	3,896,025	0	0	13,770,448	11,125	SVA Architects
South Whittier	57	B	13,311,000	8,000,000	14,411	555.13	1,000,000	4,311,000	0	0	13,311,000	0	Emar Studio
COLORADO													
Parker	55	B	15,123,119	10,908,830	41,950	260.04	2,122,822	1,472,714	0	0	14,504,366	626,738	Anderson-MasonDale
DISTRICT OF COLUMBIA													
Washington	24	B	18,863,811	15,893,576	22,800	697.09	424,233	2,546,002	0	0	18,863,811	0	Bing Thom; Wiencek & Assocs.
FLORIDA													
Lauderhill	72	B	3,482,554	2,565,000	10,000	256.5	382,329	535,225	0	0	3,482,554	0	Westlake Reed; Barranco Gonzalez
GEORGIA													
Hogansville	100	B	3,120,000	2,200,000	11,000	200	284,000	636,000	0	2,000,000	1,120,000	0	McMillan Pazdan Smith; CAS Arch
IDAHO													
Boise	220	B	8,187,000	6,476,000	16,000	404.75	705,000	1,006,000	0	0	7,000,000	1,187,000	FFA Architecture
ILLINOIS													
Monticello	6	M	3,229,673	2,457,810	12,350	199	243,965	277,898	0	0	300,034	2,929,639	apaceDesign
INDIANA													
Markle	1	B	1,116,087	875,829	3,850	227.49	89,370	126,928	0	0	1,116,087	0	krM Architecture
MARYLAND													
Havre de Grace	18	B	8,980,000	7,052,025	21,164	333.21	1,495,048	432,927	360,000	1,187,500	7,320,000	112,500	Manns Woodward Studios
Laurel	55	B	24,704,000	16,368,055	31,071	526.79	2,000,000	5,335,945	0	0	24,704,000	0	Grimm + Parker
MINNESOTA													

Community	Pop in K	Code	Project Cost	Const. Cost	Gross Sq. Ft.	Sq. Ft. Cost	Equip. Cost	Other Costs	Federal Funds	State Funds	Local Funds	Gift Funds	Architect
Kasson	12	M	2,373,200	1,773,000	13,640	130	300,000	300,200	0	0	1,930,000	800,000	Leland A. Gray & Architects
Minneapolis	18	B	10,210,000	6,475,000	8,400	770.83	302,000	1,501,000	0	0	10,210,000	0	LSE Architects
Shoreview	37	MS	16,769,180	12,285,000	38,000	323.29	1,762,000	2,122,180	0	806,500	15,762,680	200,000	Hammel, Green & Abrahamson (HGA)
MISSOURI													
Joplin	48	M	20,075,609	14,682,000	57,982	253.22	1,650,000	2,383,609	16,040,000	0	5,000,000	0	OPN Architects; Sapp Design
NEW YORK													
Elmhurst	1,200	B	32,400,000	n/a	32,000	n/a	n/a	n/a	0	0	32,400,000	0	Marpillero Pollak; Stalco Construction
OHIO													
Columbus	52	B	11,645,110	7,546,279	24,870	303.43	487,993	3,610,838	0	0	11,645,110	0	NBBJ
Columbus	13	B	6,052,306	3,689,782	10,018	368.31	231,789	1,623,806	0	0	6,052,306	0	Moody Nolan
Grove City	135	B	18,126,142	14,274,881	46,161	309.24	800,000	3,051,261	0	0	18,026,142	100,000	HBM Architects; Braun & Steidl
Toledo	29	B	8,883,122	6,786,000	22,239	305.14	358,551	1,738,571	0	0	8,883,122	0	HBM Architects; Buehrer Group
TEXAS													
Seguin	39	M	14,800,000	11,542,023	43,339	266.32	1,495,200	1,537,777	0	0	14,800,000	0	720 Design; PGAL
VIRGINIA													
Sterling	50	B	4,803,826	3,500,000	14,500	241.38	820,550	483,276	0	0	4,803,826	0	Grimm + Parker
WISCONSIN													
Marshfield	26	M	7,553,420	6,951,034	33,450	207.8	257,386	345,000	0	0	3,345,000	4,349,621	Zimmerman Architectural
CANADA													
Vaughan, Ont.	110	M	15,178,000	13,328,000	35,572	374.68	1,065,000	785,000	0	0	15,178,000	0	ZAS Architects