

**MONROE COUNTY PUBLIC LIBRARY
BOARD OF TRUSTEES
Public Hearing on Preliminary Determination to Issue Bonds**

**Wednesday, March 17, 2021
Meeting Room 1B/1C at 5:45 p.m.**

Join Zoom Meeting <https://us02web.zoom.us/j/83233849146?pwd=Z1VYQlhNUnFvN2UyODdzZ21BQjhtZz09>

AGENDA

1. Call to Order –John Walsh, President
2. Preliminary Determination to Issue Bonds (per IC 6-1.1-20-3.1) – Gary Lettelleir (page 1-18)
3. Public Comment
4. Adjournment

View the Board Packet on the Library's website: <https://mcpl.info/library-trustees/meetings>

MONROE COUNTY PUBLIC LIBRARY BOARD OF TRUSTEES PUBLIC COMMENT POLICY

The Library Board of Trustees shall have a time providing for public comment during all public meetings. Comments should be relevant to Library matters, excluding personnel issues. Individual speakers are asked to limit their remarks to three–five minutes. The chair shall be allowed to limit the time for individual speakers and to limit the total time for public comment.

Public comment time is provided for the public to express their opinions or concerns about matters over which the Board of Trustees has authority or responsibility. Comments are intended to be statements from speakers; speakers may not engage the Board in a question & answer exchange during public comments. Questions relating to Library or administrative procedures which could be addressed outside of a Library board meeting should be referred to the appropriate Library staff at other times. Expressions of opinion about these matters are appropriate for the public comment time on the agenda.

Approved by the Library Board of Trustees July 17, 2019

MONROE COUNTY PUBLIC LIBRARY
PUBLIC HEARING – NEW BRANCH FINANCE PLAN
MARCH 17, 2021

Tonight we will hold a public hearing on the preliminary determination to issue the Series B (\$6,000,000) Bonds. We are holding this public hearing in accordance with IC 6-1.1-20-3.1. This public hearing is being held regarding the proposed Series 2021B (\$6,000,000) Bonds and related Project, since the branch project constitutes a controlled project.

We have provided **copies of a draft Notice** to be published in the event the Library adopts the final authorization for the 2021B Bonds and we are providing it for members of the public now as it includes all of the information required to be available to the public during this public hearing pursuant to the Indiana Code.

Some other information included in this report:

The cost projection for the new branch construction process

A look at the library's cash balance at 12-31-2020

The library tax rate history

Future operating fund surplus projections

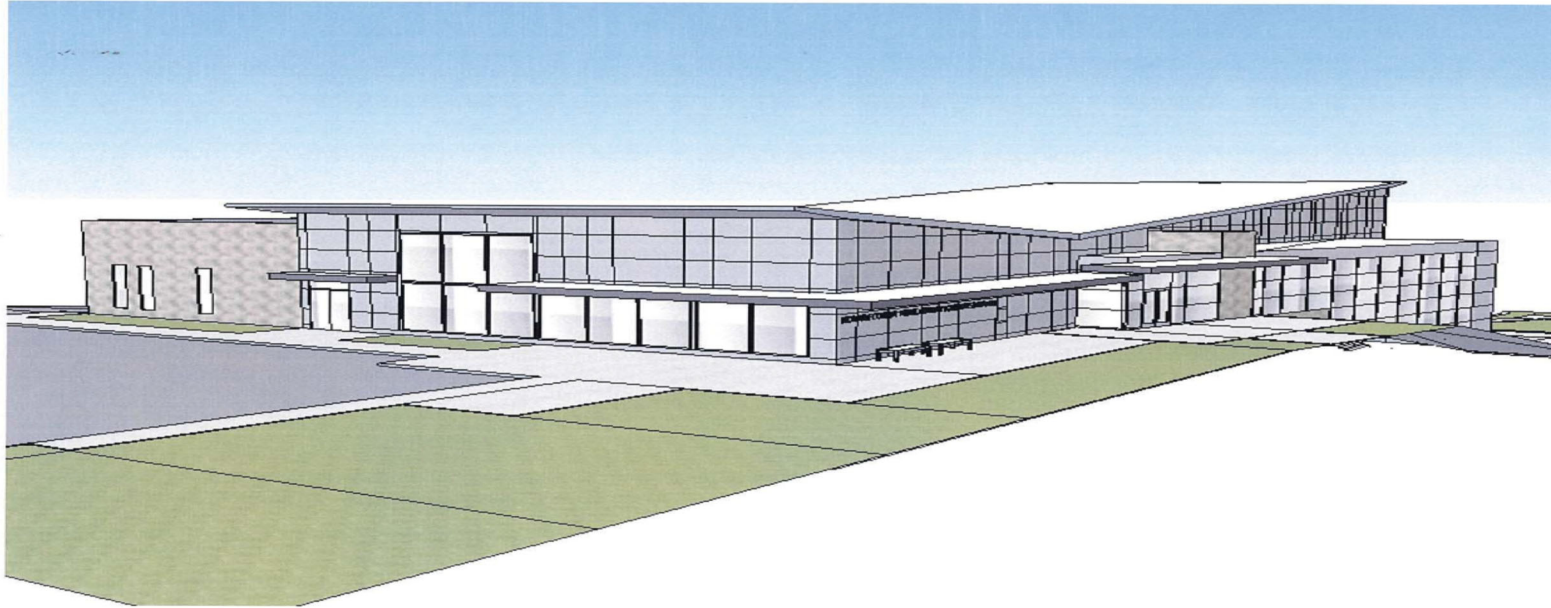
Report on the impact of the pandemic to the library's financial plans

Branch operating cost projection.

Baker-Tilly report showing the details of the 2 bonds that will be sold in September or October of 2021 and the projected bond payments.

Notice of preliminary determination

So to start – the next page shows the cost of the new branch construction project



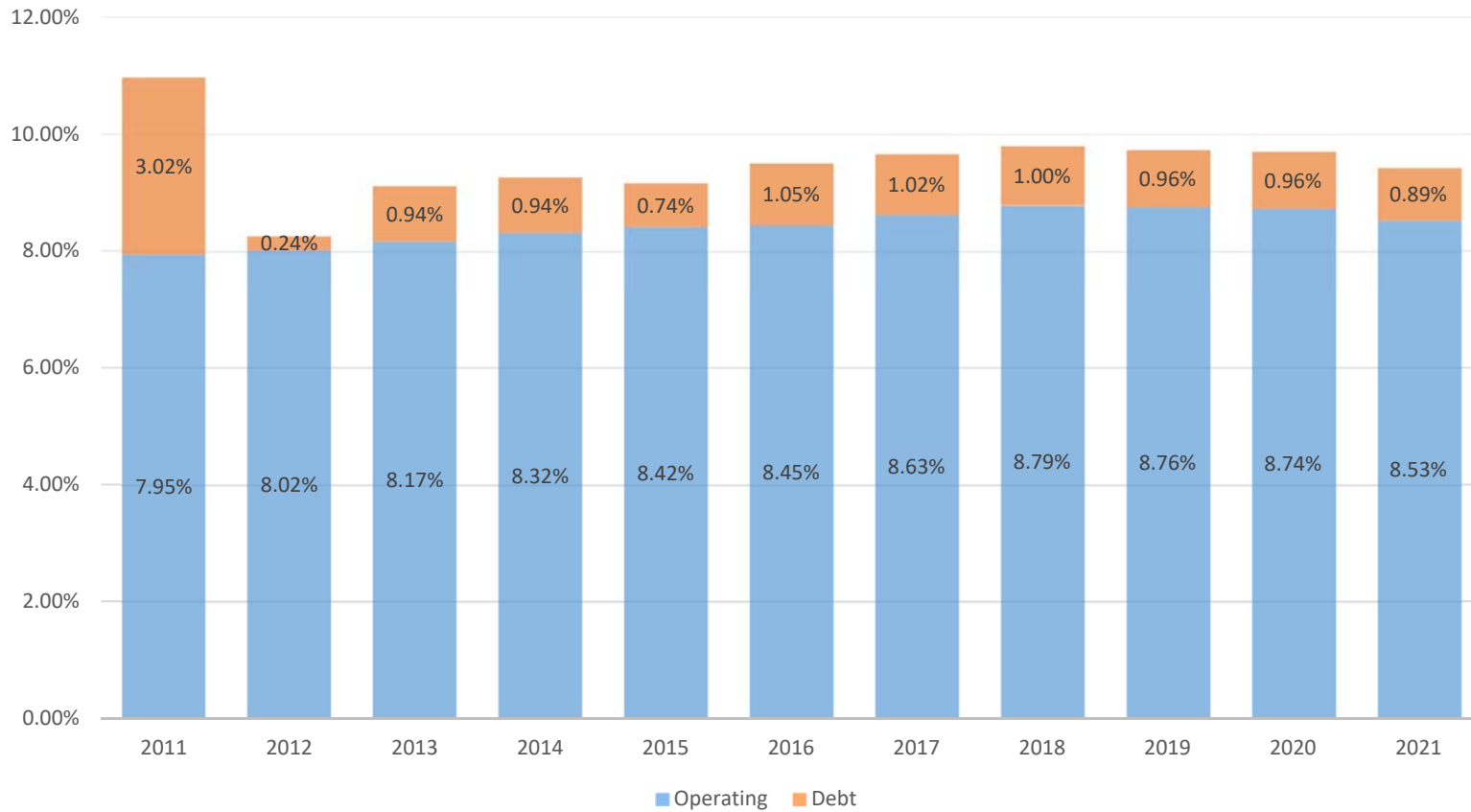
Branch Bond planning December 2020

Project Cost Estimates	
Building Construction 21,000 sq. ft.	8,269,965
Land cost estimate	137,500
Site Development	960,599
Furnishings and Equipment	1,869,760
Other costs	798,281
Total	12,036,105

MCPL Cash and Fund Balances			As of 12/31/2020			
		Bank Name -->	Old National	German American	First Financial Checking	First Financial Money Market
			06300	06400	06600	06610
	Fund Name					
01	Operating	2,600,965.81	7,623.22	56,831.62	309,637.95	2,226,873.02
02	Jail	-			-	
03	Clearing	-			-	
04	gift	10,504.53	2,284.91		8,219.62	
05	plac	420.65	430.65	665.00	(675.00)	
07	LIRF	2,092,072.93			342,884.37	1,749,188.56
08	debt	165,097.09			165,097.09	
09	rainy day	3,858,570.19		(5,564.81)	153,729.81	3,710,405.19
16	gift restricted	27,775.31	9,900.23	11,640.88	6,234.20	
19	gift fdn	171,220.44		5,250.00	165,970.44	
20	special rev	944,470.51	4,150.50	4,174.89	456,145.12	480,000.00
35	branch bond	(8,598.00)			(8,598.00)	
30	bond 2019	792,731.19	250.00		217,481.19	575,000.00
		10,655,230.65	24,639.51	72,997.58	1,816,126.79	8,741,466.77

The next page is shows cash accumulated for the new branch.

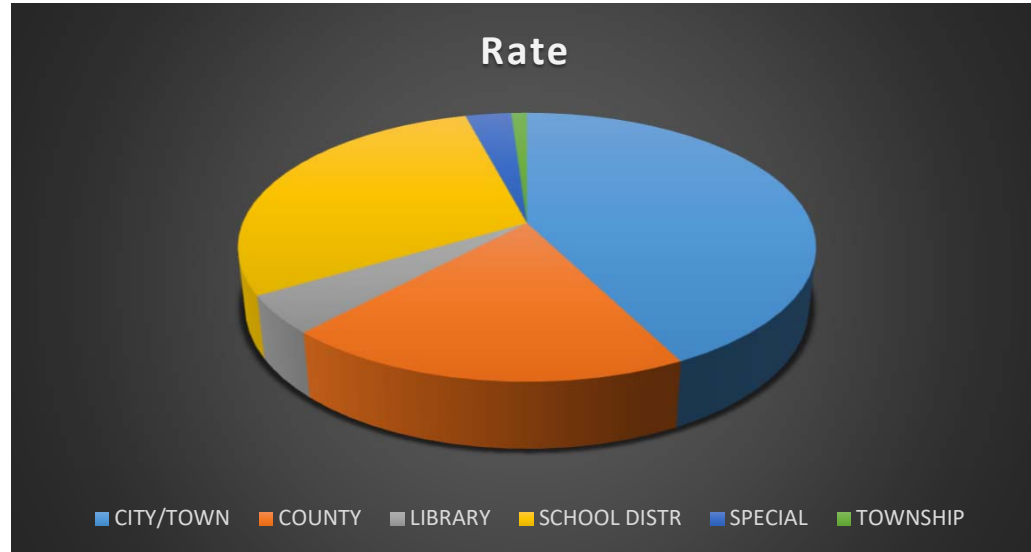
MCPL TAX RATE



Tax Bill 2020 - RESIDENTIAL SAMPLE PERRY TOWNSHIP

	2020	2019
Gross A.V.	250,000.00	236,300.00
Net A.V.	132,250.00	123,345.00
rate	2.1122	2.1237
tax	2,793.38	2,619.47
credits	(101.85)	(89.25)
tax cap	(55.71)	
	2,635.82	2,530.22

	Rate	Tax Amount 2020
CITY/TOWN	0.8978	1,187.34
COUNTY	0.4105	542.89
LIBRARY	0.0969	128.15
SCHOOL DISTR	0.6205	820.61
SPECIAL	0.0645	85.30
TOWNSHIP	0.0220	29.10
TOTAL	2.1122	2,793.38



Feb 15, 2021 estimate of 2022 Growth Quotient

	2019:Q1	2019:Q2	2019:Q3	2019:Q4	
2019	323,606.30	325,340.30	326,915.20	329,403.40	1,305,265.20
Indiana personal income - in thousands of dollars					
	2020:Q1	2020:Q2	2020:Q3	2020:Q4	
2020	332,030.90	357,500.70	346,424.70	329,000.00	1,364,956.30
increase					59,691.10
2020 estimated increase from 2019					4.57%
2022 estimated growth quotient					4.10%

Year	Growth Quotient	Operating Surplus	
2024	3.5%	\$ 700,000	estimate
2023	3.5%	\$ 700,000	estimate
2022	4.0%	\$ 1,000,000	estimate
2021	4.2%	\$ 1,200,000	estimate
2020	3.5%	\$ 1,415,042	actual
2019	3.4%	\$ 1,212,778	actual
2018	4.0%	\$ 1,003,136	actual
2017	3.8%	\$ 773,165	actual
2016	2.6%	\$ 693,195	actual
2015	2.7%	\$ 740,004	actual
2014	2.6%	\$ 655,811	actual
2013	2.8%	\$ 596,689	actual


LIBRARY OPERATIONS COST

Operating Expenses Assumptions

Operating expenses have been estimated based on a number of factors to achieve a realistic future scenario for services, and to control costs through thoughtful design:

- Structural designs will be conducive to staffing for services rather than architecture requiring additional staffing due to complexities. Assuming these designs:
 - Avoiding unnecessary partitions
 - Keeping meeting and conference room walls transparent for easy oversight
 - A single entrance
 - No drive-up window (also reduces expenses related to parking lot size and design)
 - A single floor
 - Cost effective operating systems (HVAC, equipment, etc.)
- Staffing costs reflect an assumption of a 70-hour week (same as Main Library), and a minimum of three people at all times to provide service and coverage for an approximate 21,000 Sq. Ft. facility.
- Custodial, maintenance and courier costs are included.
- Ongoing maintenance and long term replacement expenses are estimated at 10% of initial costs of the project, per year.
- Past expenses for Ellettsville served as a model and were updated to reflect larger size of facility.
- Total expense categories were estimated at like values of current operating expenses (i.e. 67% staffing, 33% other) and used as a model.

Overall operating costs are estimated at approximately \$675,000 per year.

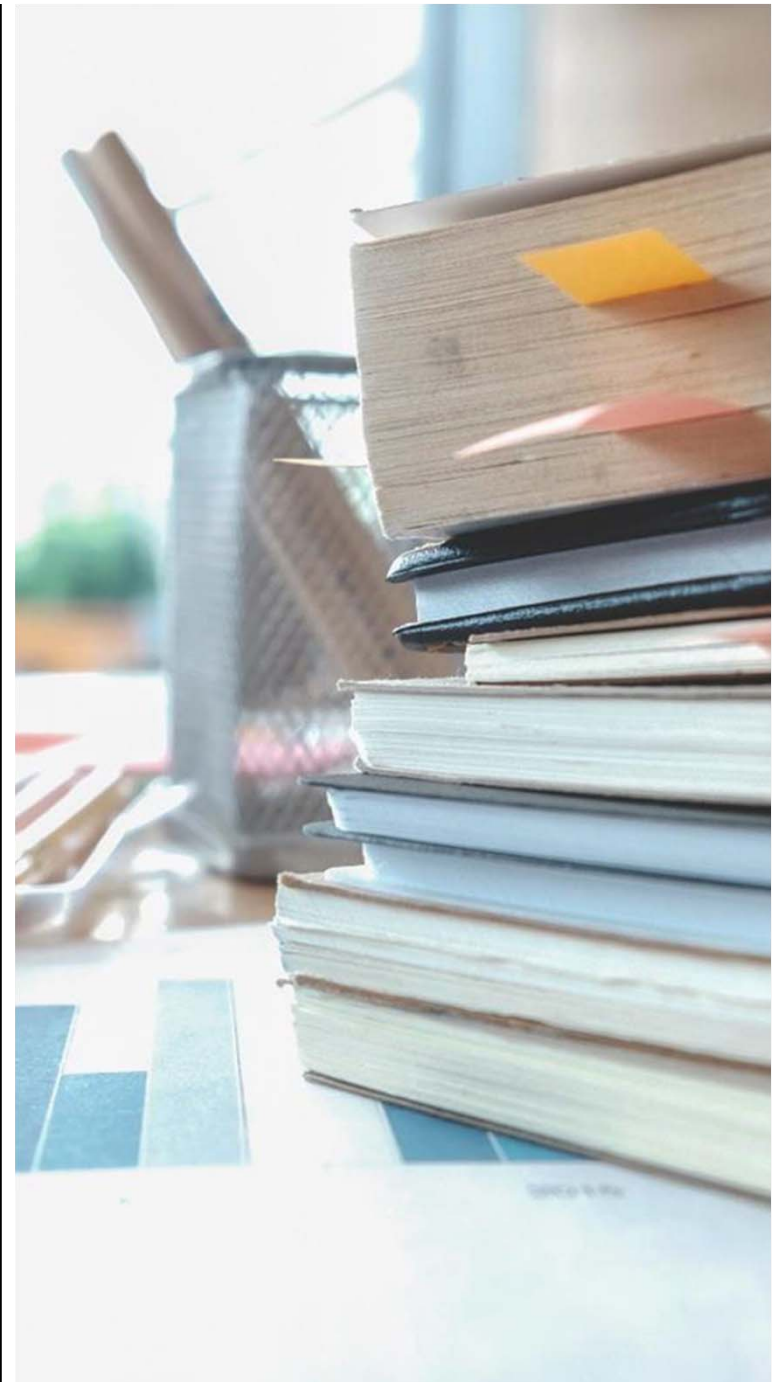


Monroe County Public Library Preliminary Determination Hearing

March 17, 2021
and
April 21, 2021



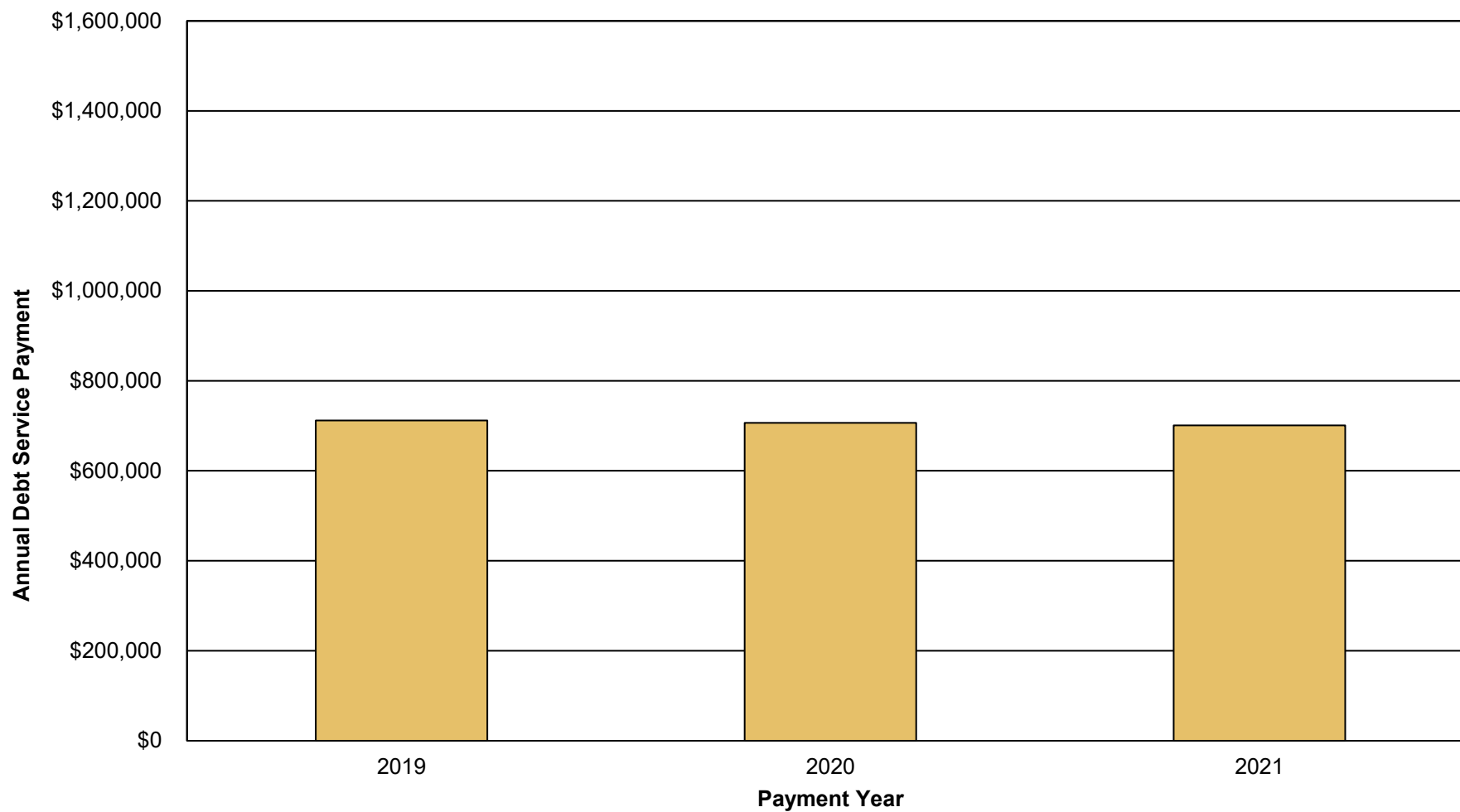
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MONROE COUNTY PUBLIC LIBRARY
SCHEDULE OF OUTSTANDING DEBT SERVICE PAYMENTS

<u>Year</u>	<u>General Obligation Bonds, Series 2018</u>
	(1)
2019	\$711,799
2020	706,457
2021	700,811
	<hr/>
Total	<u>\$2,119,067</u>

(1) Payments are budgeted on a budget year basis per the Debt Service Worksheet.

MONROE COUNTY PUBLIC LIBRARY**SCHEDULE OF OUTSTANDING ANNUAL DEBT SERVICE PAYMENTS**

■ General Obligation Bonds, Series 2018

MONROE COUNTY PUBLIC LIBRARY**CALCULATION OF GENERAL OBLIGATION BONDING CAPACITY**

2021 Certified Net Assessed Value (1)	\$7,883,285,120
Divided by 3	3
Times: 2% general obligation debt issue limit	<u>2%</u>
General obligation debt issue limit	52,555,234
Less: Outstanding general obligation debt (2)	<u>(685,000)</u>
Estimated general obligation bonding capacity (3)	<u><u>\$51,870,234</u></u>

(1) 2021 certified net assessed valuation per the Department of Local Government Finance.

(2) Includes the \$685,000 outstanding principal amount of the General Obligation Bonds, Series 2018.

(3) As of the date of this report.

Note: Pay 2020 Gross Assessed Value is \$12,012,237,708.

MONROE COUNTY PUBLIC LIBRARY
SUMMARY OF ILLUSTRATIVE FINANCING OPTIONS

Estimates for:	2021A GO Bonds	2021B GO Bonds
Borrowing Amount	\$2,000,000	\$6,000,000
Repayment Term	7 years, 3 months	19 years, 3 months
Interest Expense (1)	\$448,264	\$3,418,542
Annual Debt Service Payment (1)(2)	\$411,250	\$594,792
Debt Service Tax Rate Impact Over 2020 Levels (3)(4)	\$0.0007	
Debt Service Tax Rate Impact Over 2021 Levels (3)(5)	\$0.0036	

- (1) Based upon maximum allowable interest rates of 5.00%. Actual interest rates may vary materially from the rates assumed in this analysis. Current estimated market rates are roughly 2.00%.
- (2) Based upon the 2021 certified net assessed value of \$7,883,285,120 for the Library per the Gateway Detail by District and Fund Report. Net Assessed Value is assumed to grow by 3% annually until 2026 when it is held constant at \$9,138,880,060. The maximum debt service tax rate of \$0.0103 occurs in 2023. Assumes 4.729% license excise/financial institutions factor based upon 2021 certified distributions. Per \$100 of assessed value.
- (3) Per the 2020 Monroe County Budget Order, the Library's 2020 debt service tax rate is \$0.0096.
- (4) Per the 2021 1782 Notice for the Library, the debt service tax rate is \$0.0067.

Note: Assumes the 2021 bonds sell on September 30, 2021 and close on October 19, 2021.

MONROE COUNTY PUBLIC LIBRARY

SUMMARY OF OUTSTANDING AND ILLUSTRATIVE DEBT SERVICE PAYMENTS

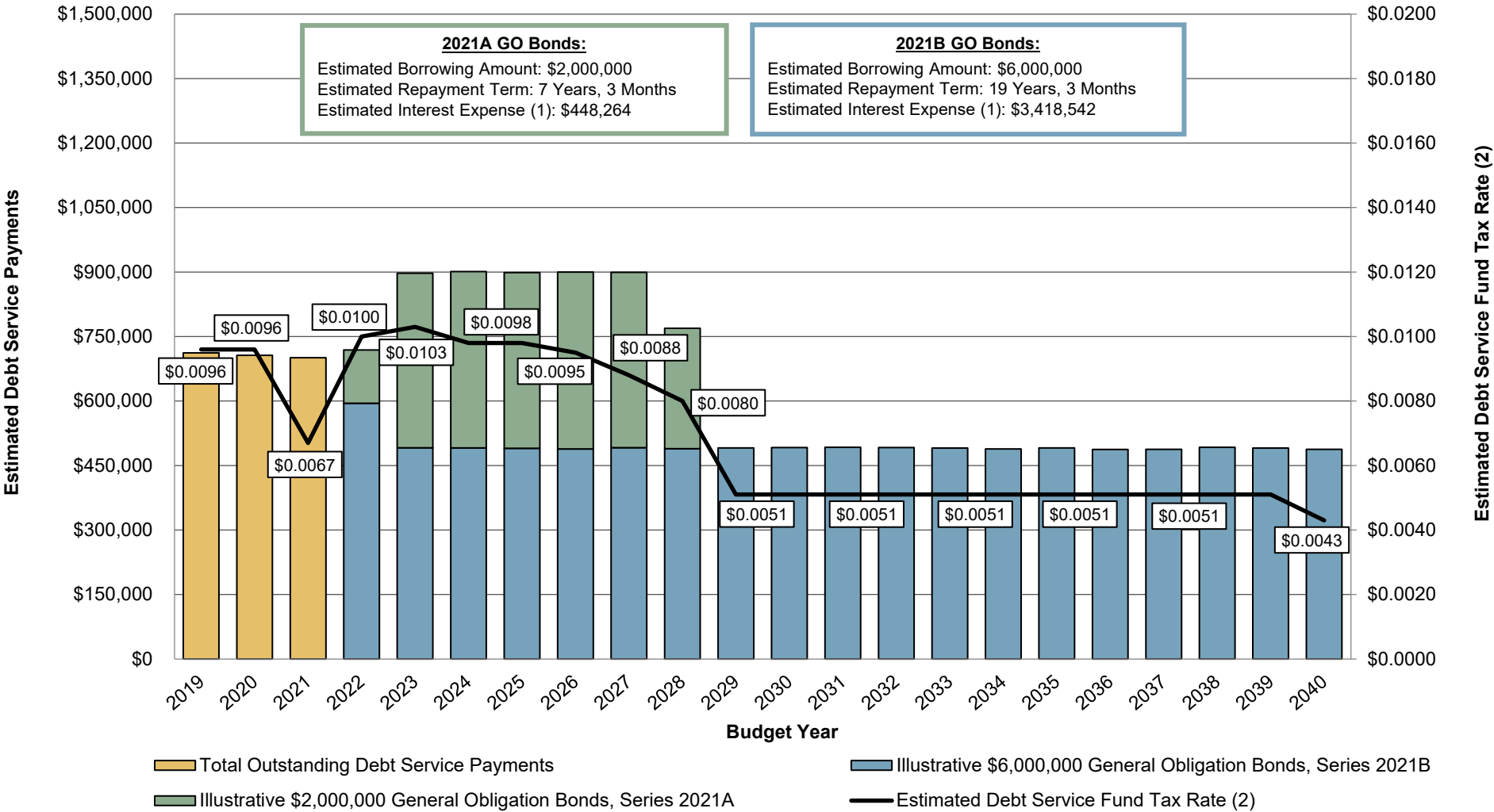
Year	Total Outstanding Debt Service Payments	Illustrative \$2,000,000 General Obligation Bonds, Series 2021A	Illustrative \$6,000,000 General Obligation Bonds, Series 2021B	Outstanding and Illustrative Debt Service
2019	\$711,799			\$711,799
2020	706,457			706,457
2021	700,811			700,811
2022		\$123,889	\$594,792	718,681
2023		406,125	491,250	897,375
2024		410,375	490,875	901,250
2025		408,750	490,000	898,750
2026		411,250	488,625	899,875
2027		407,750	491,625	899,375
2028		280,125	489,000	769,125
2029			490,875	490,875
2030			491,875	491,875
2031			492,250	492,250
2032			491,750	491,750
2033			490,625	490,625
2034			488,625	488,625
2035			490,875	490,875
2036			487,250	487,250
2037			487,750	487,750
2038			492,250	492,250
2039			490,500	490,500
2040			487,750	487,750
Total	<u>\$2,119,067</u>	<u>\$2,448,264</u>	<u>\$9,418,542</u>	<u>\$13,985,873</u>



MONROE COUNTY PUBLIC LIBRARY



SCHEDULE OF OUTSTANDING AND ILLUSTRATIVE DEBT SERVICE PAYMENTS



(1) Assumes maximum allowable interest rate of 5.00%. Actual interest rates may vary materially from the rates assumed in this analysis.

(2) Based upon the 2021 certified net assessed value of \$7,883,285,120 for the Library per the Gateway Detail by District and Fund Report. Net Assessed Value is assumed to grow by 3% annually until 2026 when it is held constant at \$9,138,880,060.

MONROE COUNTY PUBLIC LIBRARY

SUMMARY OF ESTIMATED ANNUAL TAXPAYER IMPACT

(Assumes taxpayers not at Circuit Breaker Tax Cap)

Market Value of Property	Net Assessed Value (1)	Estimated Incremental Debt Service Tax Rate over 2020: \$0.0007 (2)(3)	Estimated Incremental Debt Service Tax Rate over 2021: \$0.0036 (2)(4)
\$75,000	\$16,500	\$0.12	\$0.59
125,000	\$49,000	\$0.34	\$1.76
184,800 (5)	\$87,870	\$0.62	\$3.16
200,000	\$97,750	\$0.68	\$3.52
300,000	\$162,750	\$1.14	\$5.86
Farmland	Net Assessed Value	Estimated Incremental Debt Service Tax Rate over 2020: \$0.0007 (2)(3)	Estimated Incremental Debt Service Tax Rate over 2021: \$0.0036 (2)(4)
1 Acre of Agricultural Property (6)	\$1,290	\$0.01	\$0.05
100 Acres of Agricultural Property (6)	\$129,000	\$0.90	\$4.64
Commercial/Rental Property	\$100,000	\$0.70	\$3.60

- (1) Tax impact based upon net assessed valuation of home which includes the standard deduction, supplemental homestead deduction, and the mortgage deduction.
- (2) Based upon the 2021 certified net assessed value of \$7,883,285,120 for the Library per the Gateway Detail by District and Fund Report. Net Assessed Value is assumed to grow by 3% annually until 2026 when it is held constant at \$9,138,880,060. The maximum estimated debt service tax rate of \$0.0103 occurs in 2023. Assumes 4.729% license excise/financial institutions factor based upon 2021 certified distributions. Per \$100 of assessed value.
- (3) Represents the incremental impact over the 2020 debt service tax rate of \$0.0096, per the Monroe County 2020 Budget Order.
- (4) Represents the incremental impact over the 2021 debt service tax rate of \$0.0067, per the Library's 2021 1782 Notice.
- (5) Represents the median home value of \$184,800 within the Library District, per the U.S. Census Bureau, 2018 American Community Survey 1-year Estimates.
- (6) Per the Department of Local Government Finance, agricultural land is assessed at \$1,290/acre for taxes payable in 2022. Actual value will vary based on productivity factors.



THANK YOU

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**NOTICE OF PRELIMINARY DETERMINATION OF MONROE COUNTY PUBLIC
LIBRARY TO ISSUE GENERAL OBLIGATION BONDS, SERIES 2021B**

Owners of real property and registered voters in the Monroe County Public Library district (the “District”) are hereby given notice that the Board of Trustees of Monroe County Public Library (the “Library”), having held meetings and two separate public hearings pursuant to Indiana Code 6-1.1-20-3.1 and Indiana Code 5-3-1, on March 17, 2021, at 5:45 p.m. and on April 21, 2021, at 5:45 p.m. at the Main Branch of the Monroe County Public Library, 303 E. Kirkwood Avenue., Bloomington, Indiana, 47408, adopted its Resolution No. _____ (the “Bond Resolution”) making a preliminary determination to issue bonds pursuant to the Act (the “2021B Bonds”).

Pursuant to Indiana Code 6-1.1-20-3.1 the following information is hereby provided in connection with the 2021B Bonds as authorized by the Bond Resolution:

- (i) The maximum term of the 2021B Bonds, which may be issued in one or more series, is 20 years from the date of delivery of the 2021B Bonds;
- (ii) The maximum principal amount of the 2021B Bonds is \$6,000,000;
- (iii) The estimated interest rate that will be paid with the 2021B Bonds is 5.00% per annum and the total interest cost associated with the 2021B Bonds is estimated at \$3,418,542;
- (iv) The purpose of the 2021B Bonds is to procure funds to be applied to (i) the costs of the design, acquisition, site development, construction, equipping and furnishing of a new library branch, certain other related improvements and to the extent funds are not needed for the design, acquisition, site development, construction, equipping and furnishing of the new library branch, for general improvements to Library facilities in the Library district, and (ii) costs of issuance of the 2021B Bonds;
- (v) The current debt service levy and rate of the Library is \$528,180 and \$0.0067;
- (vi) The estimated increase to the Library’s debt service levy and rate that will result if all the 2021B Bonds are issued will be \$304,607 and \$0.0030, respectively. The Library also anticipates issuing the proposed \$2,000,000 General Obligation Bonds, Series 2021A (the “2021A Bonds”). The estimated increase to the Library’s debt service levy and rate associated with the 2021A Bonds will be \$63,447 and \$0.0006, respectively. The combined estimated increase to the Library’s total debt service levy and rate resulting from the issuance of both the 2021A Bonds and 2021B Bonds is \$368,054 and \$0.0036, respectively;
- (vii) The estimated amount of the Library’s debt service levy and rate that will result during the following ten (10) years if the 2021A Bonds and 2021B Bonds are issued, after also considering any changes that will occur to the debt service levy and rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period is as follows:

Year	Assessed Value (1)	Outstanding Bonds (2)	2021A Bonds (3)	2021B Bonds	Total Debt Service Levy (4)	Estimated Tax Rate (5)
2021	\$7,883,285,120	\$528,180			\$528,180	\$0.0067
2022	\$8,119,783,674		\$140,325	\$673,702	\$814,028	\$0.0100
2023	\$8,363,377,184		\$387,860	\$469,157	\$857,016	\$0.0103
2024	\$8,614,278,499		\$383,214	\$458,386	\$841,600	\$0.0098
2025	\$8,872,706,854		\$382,758	\$458,842	\$841,600	\$0.0095
2026	\$9,138,888,060		\$409,586	\$486,648	\$896,234	\$0.0098
2027	\$9,138,888,060		\$389,422	\$469,527	\$858,949	\$0.0094
2028	\$9,138,888,060		\$267,366	\$466,727	\$734,093	\$0.0080
2029	\$9,138,888,060			\$439,359	\$439,359	\$0.0048
2030	\$9,138,888,060			\$424,718	\$424,718	\$0.0046
2031	\$9,138,888,060			\$469,883	\$469,883	\$0.0051

- (1) 2021 certified net assessed value per Monroe County Budget Order. Assumes net assessed value grows by 3% annually until 2026 in which it is held constant at \$9,138,888,060. Growth based upon historical data and discussions with Library officials.
- (2) Represents the General Obligation Bonds, Series 2018, which mature on January 15, 2022.
- (3) Estimated debt service levy based upon illustrative interest rates.
- (4) Assumes Library is levying for the maximum operating balance in the Debt Service Fund.
- (5) Assumes license excise/financial institutions tax miscellaneous revenue factor of 4.729%, per certified distributions for 2021.

- (viii) The result of the Library's current and projected annual debt service payments divided by the net assessed value of taxable property within the District is 0.12%;
- (ix) The result of the sum of the Library's outstanding long term debt plus the outstanding long term debt of other taxing units that include any territory of the District divided by the net assessed value of taxable property within the District is 4.08%.

Any owners of real property within the District and/or registered voters residing in the District who want to initiate a petition and remonstrance process against the proposed debt service must file a petition requesting the application of a petition and remonstrance process with the Monroe County Voter Registration Office which complies with Indiana Code 6-1.1-20-3.1 not later than thirty (30) days after the date of publication of this notice.

Dated: April __, 2021.

/s/ Kari Isaacson Esarey
Secretary, Board of Trustees
Monroe County Public Library