

MONROE COUNTY PUBLIC LIBRARY BOARD OF TRUSTEES
Public Hearing on the Additional Appropriation of Series A Bond Proceeds
Wednesday, April 21, 2021 Meeting Room 1B/1C at 5:45 p.m.

Join Zoom Meeting

<https://us02web.zoom.us/j/82055276762?pwd=M291VnhrbU5xSGlmVi9WSTkxc0VmZz09>

AGENDA

1. Call to Order – John Walsh, President
2. Series A Bond Project – Gary Lettelleir (page 1-15)
3. Public Comment
4. Consider and adopt Series A Bond Additional Appropriation Resolution - Gary Lettelleir (page 2-3)
5. 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 #1 – Additional Appropriation Series A - \$2,000,000 Bond

APRIL 21, 2021

Tonight we will hold three public hearings. This first hearing is on the additional appropriation of the Series A Bond Proceeds. This hearing relates to the appropriation of the proceeds of the Series A Bond into the library's budget. The issuance of the Series A Bond and the related project were approved by the board at the February board meeting. This hearing is required under the Indiana Code before the Library can include the proceeds of the Series A Bond in its budget.

This 2 million dollar bond is primarily for maintenance of existing facilities and equipment. It covers a 7 year time period which works out to about \$286,000 per year. The library's technology equipment can become obsolete after 3 to 4 years. This bond will be the source of funds to provide high quality computers and a user friendly web site with lots of capability to deliver digital materials to patrons.

Here are some items included in this report:

- The appropriation resolution
- A look at the library's cash balance at 12-31-2020
- The library tax rate history
- Sample residential tax bill - Perry Township
- Report on the impact of the pandemic to the library's financial plans
- A look at future operating fund surplus projections
- 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.

So to start – here is the Additional Appropriation resolution for the Series A - \$2,000,000 Bond

APPROPRIATION RESOLUTION

WHEREAS, the Board of Trustees (the “Board”) of the Monroe County Public Library (the “Library”), has determined to renovate and improve certain existing Library facilities including the acquisition of certain library equipment, including information technology equipment, and certain maintenance and improvements to the existing Library facilities and certain other related improvements in the Library district (collectively, the “Project”), all as described in a Bond Resolution of the Library adopted February 17, 2021 adopted by the Board; and

WHEREAS, the Board has determined that the estimated cost of the Project, and the incidental expenses necessary to be incurred in connection with the Project and with the issuance of bonds, to finance the Project, will be in an amount not to exceed Two Million Dollars (\$2,000,000); and

WHEREAS, the Board has determined to issue bonds to fund the costs of the Project in an aggregate amount not to exceed Two Million Dollars (\$2,000,000); and

WHEREAS, there has been published a notice of a public hearing on the appropriation of the proceeds of the bonds, to be held on this date; the hearing has been held and the Board has considered the evidence presented at the hearing; and

WHEREAS, the Board now finds that the Library does not have sufficient funds available or provided for in the existing budget and tax levy to fund the cost of the Project;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF MONROE COUNTY PUBLIC LIBRARY, THAT:

Section 1. The Board finds that all proceedings required before appropriation of the proceeds of the bonds have been accomplished and completed.

Section 2. For the purpose of paying the costs of the Project, and incidental expenses necessary to be incurred with the Project and the bonds, an amount not to exceed Two Million Dollars (\$2,000,000) shall be appropriated from the proceeds of the bonds.

Section 3. The Library Director is directed to submit and certify this ordinance and the related proceedings to the Department of Local Government Finance in accordance with Indiana Code 6-1.1-18-5.

Section 4. This ordinance shall be in full force and effect from and after its passage.

[SIGNATURE PAGE FOLLOWS]

PASSED AND ADOPTED THIS 21ST DAY OF APRIL, 2021

John A. Walsh, President
Board of Trustees

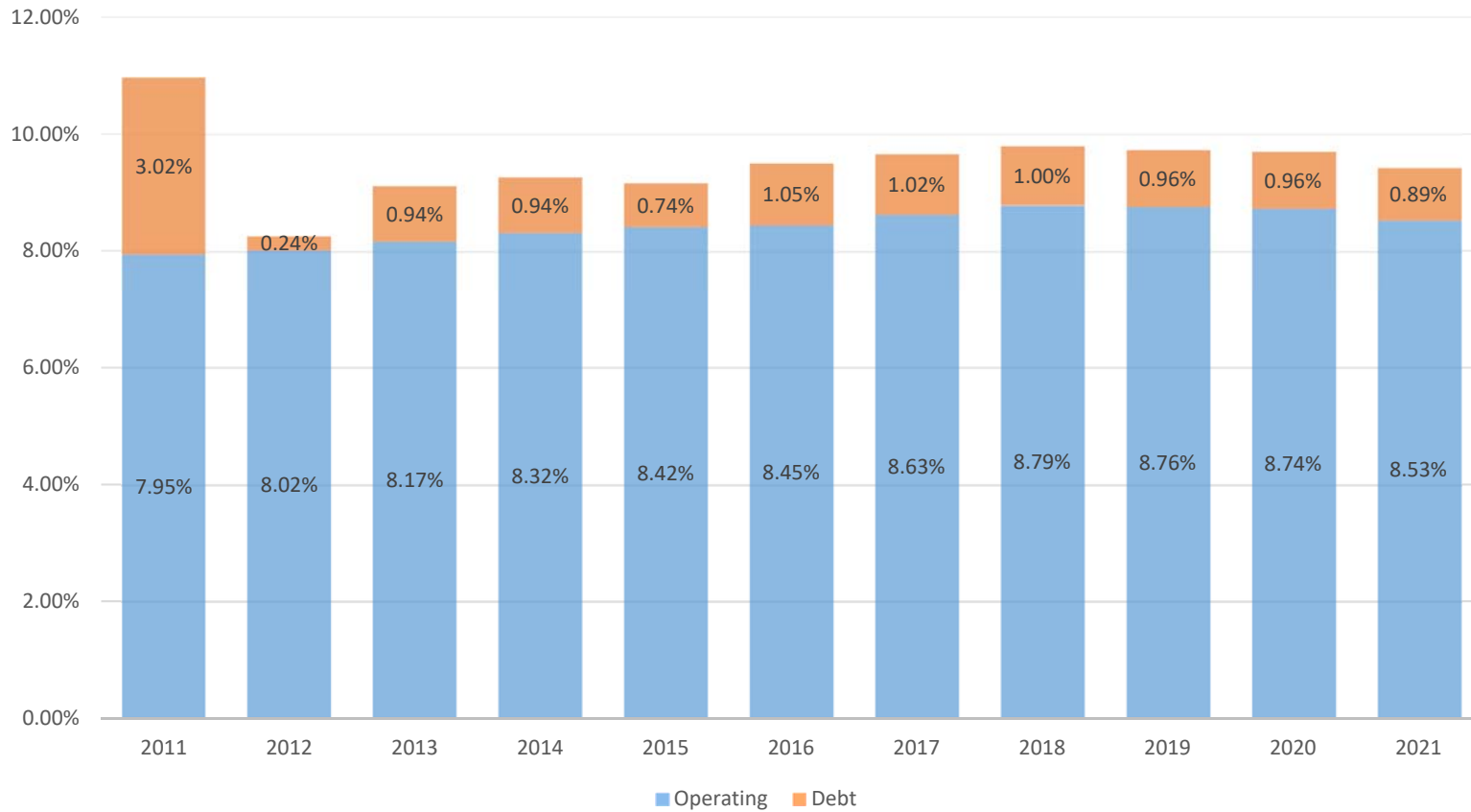
ATTEST:

Kari Isaacson Esarey, Secretary
Board of Trustees

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



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

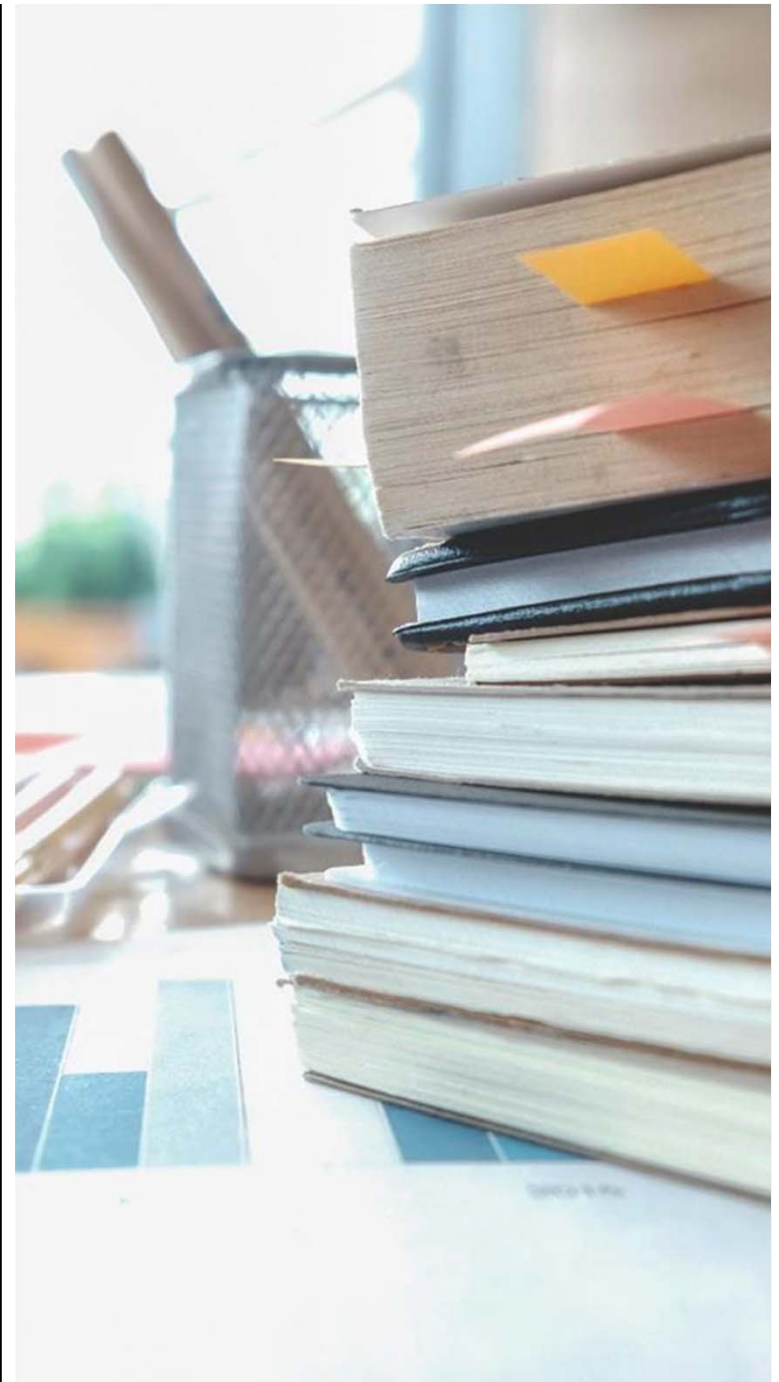


Monroe County Public Library Preliminary Determination Hearing

March 17, 2021
and
April 21, 2021



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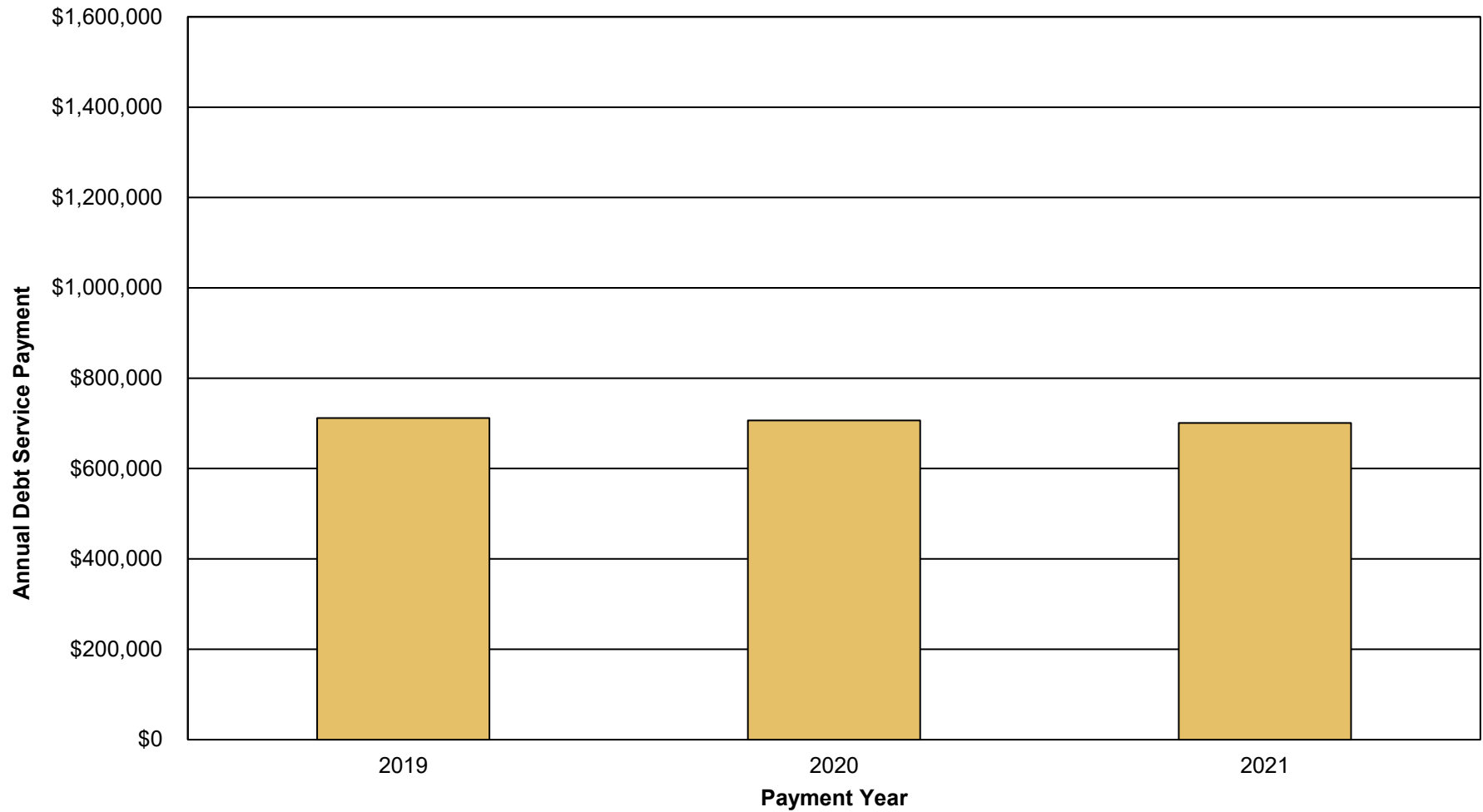
MONROE COUNTY PUBLIC LIBRARY
SCHEDULE OF OUTSTANDING DEBT SERVICE PAYMENTS

<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

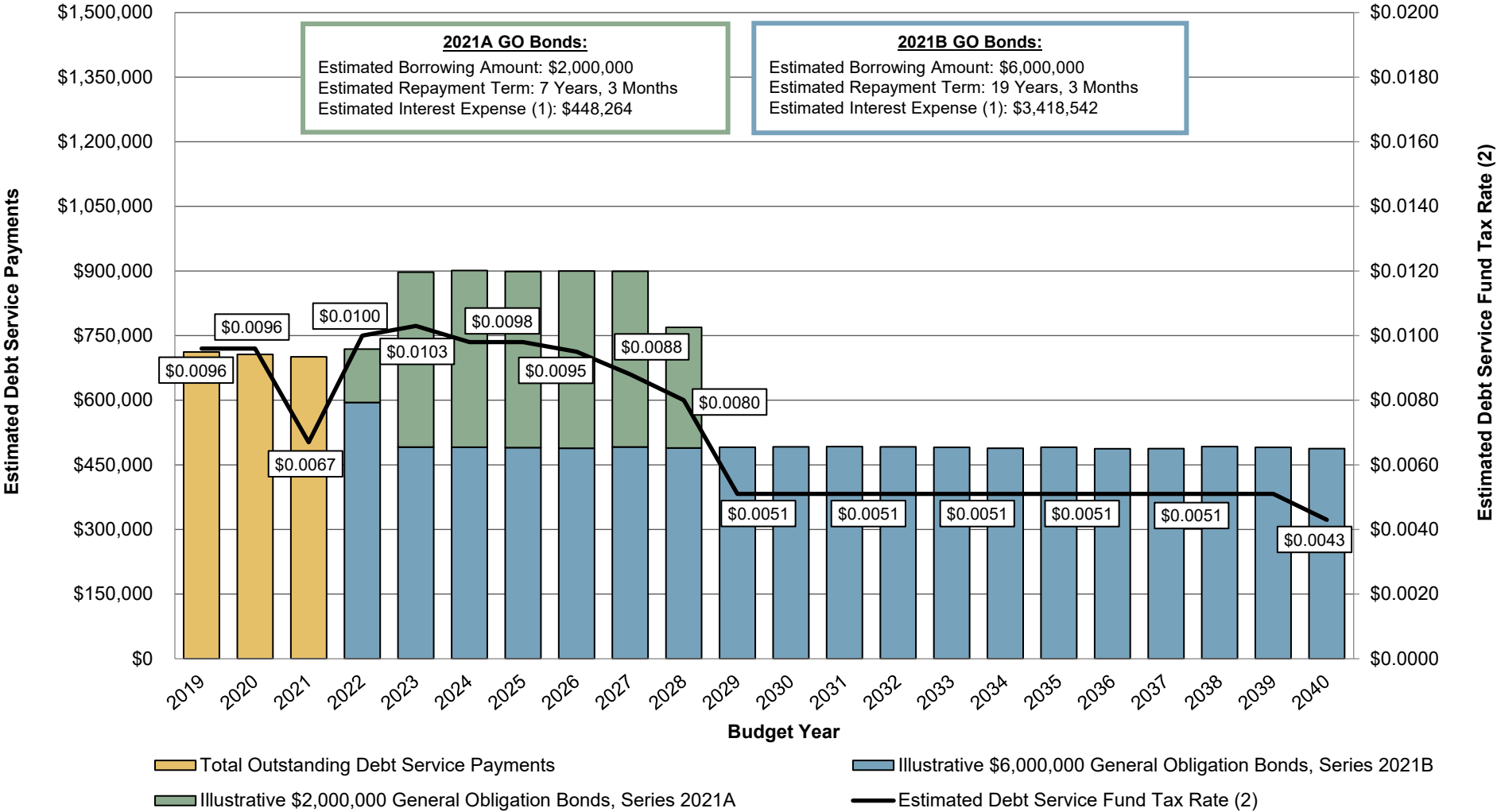
Year	Total Outstanding Debt Service Payments	Illustrative \$2,000,000 General Obligation Bonds, Series 2021A	Illustrative \$6,000,000 General Obligation Bonds, Series 2021B	Outstanding and Illustrative Debt Service
2019	\$711,799			\$711,799
2020	706,457			706,457
2021	700,811			700,811
2022		\$123,889	\$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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