

FINANCE COMMITTEE MINUTES
Deerfield Public Library Board of Trustees
Deerfield Public Library
April 20, 2011

1) ROLL CALL AND CALL TO ORDER

The meeting was called to order at 5:03 p.m.

Attending: Board: Sunday Mueller - Chair, Ken Abosch, and Jeff Rivlin. Staff: Library Director Mary Pergander, Business Manager Carol Dolin

Village Finance Director Bob Fialkowski

Library Financial Consultants Steve Larson and John Miller - Ehlers and Associates

2) OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD, and CORRESPONDENCE
No one addressed the Board.

3) Ms. Mueller updated the committee on the status of the bond market and identified changes since the previous meeting in December shortly after passing the referendum. She discussed the needs of the Village in coordinating funding for various projects and how the Library's needs can dovetail with the Village to benefit both parties. She then turned the meeting over to Mr. Fialkowski.

4) Bonds for the Library Improvement Plan

Mr. Fialkowski recommends a single issue of bank qualified (BQ) bonds with two series, Series A - \$5.9 million for the first part of the Library Improvement Project and Series B - \$4 million for the Village for other planned capital improvements. The remaining \$5.85 million for the Library could be issued in 2012 or 2013, depending on the anticipated timing of construction related expenditures. A single issue reduces costs for bond rating, bond counsel, and underwriting fees for both the Library and the Village. Issuing the Library debt in two bond issues also reduces negative carrying costs associated with borrowing money before it needed. If the Library needs funds before the bonds have been issued, a Reimbursement Referendum would allow Reserves to be used to pay construction related costs and later be reimbursed from bond proceeds. Mr. Larson supported the recommendation and outlined potential rates and debt service structures for the two Library bond issues, which could result in an annual increase in property taxes of approximately \$93 to a homeowner of a home valued at \$500,000. This is slightly higher than the predicted \$89, due to the greater than anticipated increase in borrowing costs. Ms. Mueller asked for clarification of when to expect the first Library bond issue. Mr. Fialkowski said he planned for August or September, but recommended starting preparations immediately to expedite the time to issue should rates become especially favorable. The Village will use their bond rating agency, bond counsel, and financial advisors. Mr. Fialkowski will draft a Reimbursement Resolution for Ms. Pergander and Mr. Larson review. This should be approved by the Board at the May Board Meeting. Mr. Fialkowski will have the Village's bond counsel prepare an intergovernmental agreement for adoption at the June Board Meeting to formalize the understanding that the Library Board wants the Village to issue debt on its behalf, but the Library takes responsibility for the debt. Ms. Pergander will draft a succinct history of the Library, the purpose for the bond funding, and the referendum results for the bond rating agency. The Village does not plan to issue any other debt in 2012, so the Library will have the flexibility to decide how much to issue and when is the most advantageous time. PSA Dewberry will prepare an updated schedule of anticipated expenditures, which will assist with this decision.

4) ADJOURNMENT

The meeting adjourned at 6:17 p.m.