

AGENDA FOR MEETING OF THE
EAST BATON ROUGE PARISH LIBRARY BOARD OF CONTROL
FINANCE COMMITTEE
CARVER BRANCH LIBRARY
720 TERRACE STREET
BATON ROUGE, LA 70802
MEETING ROOMS 1 AND 2
MAY 3, 2007
4:00 P.M.

- I. ROLL CALL
- II. APPROVAL OF MINUTES OF THE MEETING OF APRIL 2, 2007
- III. DISCUSSION OF VARIOUS FINANCIAL SCHEDULES
- IV. ESTABLISHMENT OF DATE AND PLACE FOR NEXT MEETING
- V. COMMENTS BY THE CHAIRMAN

ALL MEETINGS ARE OPEN TO THE PUBLIC

Revised Minutes of the Meeting of the Finance Committee of the
East Baton Rouge Parish Library Board of Control

May 3, 2007

The third meeting of the Finance Committee of the East Baton Rouge Parish Library Board of Control was held at the Carver Branch Library on Thursday, May 3, 2007. Mr. Dan Reed, Chairman of the Committee, called the meeting to order at 4:10 p.m. Mr. Stephen Moret, a member of the Committee was present. The third Committee member, Ms. Dorothy Stepteau, was absent. Also in attendance were Mrs. Georgia Brown, President of the Library Board of Control; Mrs. Lydia M. Acosta, Library Director; and Mrs. Brenda Lovett, Library Business Manager; Mr. Steve Jackson, Architect with Cockfield Jackson Architects; and six members of the community.

The minutes of the meeting of April 2, 2007 were unanimously approved on a motion by Mr. Moret, seconded by Mr. Reed.

Mr. Reed welcomed those in attendance and explained that the Finance Committee of the Library Board of Control is an investigative committee charged with studying various financing options for construction of four library buildings. At the April 2, 2007 Finance Committee meeting the members discussed ways to construct these branches on an accelerated schedule in order to save on construction costs which are projected to continue to rise. One of the methods of accomplishing the construction on an accelerated schedule is to bond the cost to construct the branch libraries. The scenario uses bonding in 2008. However, Mr. Moret said that after looking at the projected figures, it appeared that the Library could save more money by bonding in the year 2010 rather than 2008. Mr. Moret asked Mrs. Brenda Lovett, Library Business Manager to produce projections for review at this Committee meeting using a five-year bond schedule.

Mrs. Lovett distributed three financial projections labeled Option 1, Option 2, and Option 3. Mrs. Acosta noted that in all three options, no parking garage is included for the downtown library. Instead, the Library will provide parking for patrons and staff by leasing parking spaces in downtown garages.

The Finance Committee discussed Option 2 which contains the scenario of bonding in 2010 instead of 2008. The Committee reviewed the figures which illustrate that less money is borrowed by bonding later. However, there are several drawbacks to pursuing this option. Metropolitan Councilman Mike Walker of District 8 is prepared at this time to help secure support from other Metropolitan Council members for bonding in 2008. If the measure is delayed until 2010 another slate of Council members may be in place. The other concern is that it cannot be determined for certain what the bond rating and interest rate on the bonds will be in 2010. However, currently the Parish of East Baton Rouge has an excellent bond rating, and the interest rate on bonds is less than 5% which is very attractive for the Library.

Options 1 and 3 were compared. Option 3 contains an increase in the construction costs by \$1,206,360.00 because the downtown branch library building is completed in 2013 as opposed to

2012 in Option 1. Mrs. Lovett told the Committee that in creating all three options she included three Cost of Living Adjustments (COLAs) as per the advice of the Director of the City-Parish Department of Finance, Mr. David Medlin.

In the current 10-year taxing period, the Library's fund balance will be lower than it has ever been because the expenditures for construction of the four facilities will be realized. Mr. Reed expressed some concern about the possibility that in the bidding process for new construction that the bids will be higher than what the Library has projected. Mrs. Acosta replied that Mrs. Lovett has projected the costs taking that into account. Construction costs are continuing to rise, but Mr. Moret noted that the market cannot support much more escalation in costs.

Mr. Moret asked Mr. Reed if the Committee was ready to make a recommendation of one of the options for the Library Board's consideration and approval. Mr. Reed answered affirmatively. Mr. Moret then asked if the public could be allowed to give their input before a recommendation is made. Again Mr. Reed agreed and those present were asked for their opinions.

Mr. John Berry, a member of the community, asked about the status of the proposed library branch for the Perkins area on the Spinosa property. Mrs. Acosta responded that Library Board President, Mrs. Georgia Brown has signed a non-binding letter of intent with JTS Realty, LLC. The next step in the process is for Mr. Spinosa to request the re-zoning of his property with the Planning Commission and the Zoning Committee of the Metropolitan Council. If the re-zoning is approved and the Council gives the Library approval to allocate the funding for the project, the Library will build a two-story branch with a footprint of 10,000 square feet on the Spinosa property. Mr. Spinosa will donate the property and pay for all of the engineering and architectural fees. Mrs. Acosta noted that the Library will not have an active role in the request for re-zoning of the Spinosa property. If Mr. Spinosa's plans should not be successful, then the Library will pursue the property on Burbank which was donated in 2004. Mr. Berry asked if Metropolitan Councilmen Skyring and Culbertson were supportive of the Library's plans for a library branch in the southern part of the parish. Mrs. Acosta said that Councilman Skyring is very interested in a library branch on Perkins Road. Additionally the Council approved acceptance of property for the purpose of building a branch on Burbank.

Mr. Moret added that Mayor-President Kip Holden advised the Library to consider bonding as a means to complete the Library's construction program. Mr. Moret said the Library would like to build the "Library in the Park" quickly, build a branch in the southern area of the parish, followed by a branch for the eastern part of the parish and a new branch for downtown.

Mr. Tom DuBos, a member of the community, asked if the Library is still looking for donations by the public to construct the downtown branch. Mr. Moret said that they would pursue a fund raising campaign to enable the Library to construct a larger building downtown. Mr. Moret added that contributors to a fundraising campaign want to see the design and where their money will be spent before they make an investment in the fundraising.

Mr. Reed asked Mrs. Brown for her input on these options. She said that she believes that we cannot decrease the figures in the projections any further because there does not appear to be any unnecessary inflation of costs. She noted that the Library system is large now and requires a

larger expenditure to operate than ever before. Mr. Reed said that Option 1 seems to be the most favorable. Mr. Moret asked those in attendance which option they prefer. Mr. DuBos observed that both Finance Committee members present prefer Option 1 as do the members of the public present today. Mr. Moret made a motion that the Finance Committee of the Library Board of Control recommends Option 1 for approval by the Library Board of Control. Mr. Reed seconded the motion which passed unanimously. Mr. Moret asked that Mrs. Lovett create for the next Library Board of Control meeting on May 17, 2007 a list of the pros and cons of Option 1 and the justification of why Option 1 is the best choice. Mrs. Acosta reminded everyone that the City-Parish Department of Finance will review the option which the Library Board of Control approves before it is voted upon by the Metropolitan Council.

The meeting concluded with the scheduling of the next Finance Committee meeting for Thursday, June 7, 2007 from 4:00 p.m. until 6:00 p.m. Mrs. Acosta said that they will tentatively hold the meeting at the Carver Branch Library. However, she noted that the Summer Reading program will be in progress at that time. There are many special events scheduled during the summer. She will check for the availability of the meeting room on that date. If another location is required it will be noted on the Library's Website as are all Library Board meetings. All meetings are open to the public.

Mr. Reed told those in attendance that at the next Finance Committee meeting fund raising and a feasibility study will be discussed. There being no further business, the meeting was adjourned on a motion by Mr. Moret, seconded by Mr. Reed.

Dan Reed, Committee Chairman

Lydia M. Acosta, Director