

FRANKFORT PUBLIC LIBRARY DISTRICT
FINANCE COMMITTEE MEETING
FRANKFORT PUBLIC LIBRARY
November 6, 2024
4PM

- I. Call to Order
The meeting was called to order at 4:04PM.
- II. Roll Call
Present: Trustee Schneider, Trustee Wagner, Business Manager Wargowsky, and Director Kowalcze
Absent: Trustee Karabis
Also Present: None
- III. Introduction of Visitors
None
- IV. Minutes for Approval
Motion to approve the minutes from the Finance Committee Meeting on September 24, 2024 by Trustee Schneider, seconded by Business Manager Wargowsky. Trustee Wagner abstained. Minutes approved by the Committee Members.
- V. Old Business
None
- VI. New Business
 - A. Upcoming Loan Renewal
 1. The Committee briefly reviewed the history of the Library’s loan, including the original loan, the 2020 loan renewal, and the discussions with the Library’s attorney and the Bank’s government lending team over the last year. There is a balloon payment due in February 2025, which requires the Library to renew the loan, at which time the loan will be converted into a debt certificate.
 2. The Committee discussed the commitment letter from Chapman and Cutler to complete the conversion into a debt certificate. Director Kowalcze confirmed that their fee has not changed since the initial inquiry, and still stands at \$10,000.
 3. The Committee discussed that the repayment rate will change when the Loan is renewed, both due to higher interest rates, and the fact that due to a change from a 10-year repayment schedule to a 9.5-year schedule, which will

allow for the loan to be repaid before the legal deadline in September 2034. The increase in interest was planned for in the working budget, with a generous cushion. However, the increase in premium wasn't planned for, and that line will likely be exceeded by around \$6000, which may be covered by the extra in the interest line.

4. The Committee discussed getting rates for the debt certificate from the Library's current bank, and two other area banks. The Committee discussed if the Library would need a financial advisor to do this, and decided it could be handled internally, since the inquiry was so narrow. Director Kowalcze and Business Manager Wargowsky will reach out to banks and ask for a rate for a debt certificate in the amount of the current loan with a repayment date of September 2034.

5. The Committee discussed factors other than interest rate that should be considered in evaluating options. First, the bank in question should have a governmental lending team that the Library could work with. Further, if the Library would need to move their checking and savings accounts, the interest the Library is earning on the MaxSafe accounts should be considered, as well as the current fraud protection tools the Library utilizes. Finally, the Library's current banker has significant government financial experience, which should also be a factor in the decision making.

6. The Committee discussed the loan timeline, and agreed that it would be prudent to have all decisions made by the Board by mid-December, to have an appropriate cushion over the holidays to ensure that the loan renewal is completed before the February deadline.

7. The Committee will meet again on November 18 at 2:30pm to review the information from the banks that is compiled.

8. The Committee discussed how the loan renewal would impact the HVAC funding options. The assessment was that there are several alternative ways to pay for the HVAC upgrades, and the loan renewal should not impact any of the funding options.

VII. Public Comment
None.

VIII. Adjournment
Meeting adjourned at 4:44PM.

Recorded By:

Amanda Kowalcze
Library Director