

Putnam County Public Library District
Regular Meeting of the Board of Trustees
March 13th, 2021

1) The purpose of the meeting was to tour the building on 7207 Power Plant Road, Hennepin, Illinois. The tour started at 3pm.

2) Roll Call:

Present:

Bob Steele, President
Sean Brannon, Vice President
Joan Augustine, Treasurer
Merry Bassi, Secretary
Sally Young, Trustee
Jay Kalman, Director

Absent:

Bob Hamann, Trustee
Jo Ann Steffens, Trustee

- There are 5 acres of land and currently the Biagi's are farming 3 acres of it and in return they keep the grass cut around the building.

- The large cranes are NOT included in the asking price of \$695,000 and it would be the responsibility of the seller if he wants them removed.

- The fire suppression system could possibly be retrofitted to protect the books or it might be of value to someone if we decide not to keep it

- The radiant heat is suspended along the walls of the building and seems to be very efficient. The realtor guessed that the utility bills run about \$150/month but since the building has not been in use for many years its only a guess.

- Kettman HVAC gave a rough estimate of \$27,000 to add air conditioning to the building. A commercial dehumidifier goes for around \$1000. We may need more than one dehumidifier.

- Dan Ellberg had given a proposal at one time to fill in the pits and level the floor with concrete so we could possibly contact him. At this time we do not need the space where this work needs to be done so it can be done at a later date unless we want it done sooner for safety purposes but in the meantime we can erect wooden barriers.

- The realtor thinks there was an environmental study done at some point and the seller would have to produce it. The realtor also recommended we have a Phase 1 environmental study done. The cost for the study would be around \$2000 and the findings would be covered during negotiations. The seller would either take care of the issues or he would issue back a credit of the purchase and we could either back out of the deal or take the credit and get the work done ourselves. The seller would be responsible for discarding the 50 gallon drums labeled as hazardous chemicals.

- The seller is open to the idea of a contract sale which means he would self finance the project if we chose to go that route rather than getting a mortgage from a bank. This is a good option if the interest rate he is looking for is not higher than the bank would charge.

- A cash flow estimate for the next 15 years was distributed. It reflects no budget cuts and no salary change for the Library Director. The expenses are based on a 2% cost of living increase. We already levy \$43,000 in our building maintenance fund which would cover the projected \$40,008 per year in debt payments. Without changing anything in our budget we would have a shortfall of \$68,340 over the first four years and then we would start making up the difference and completely repay the deficit in FYE2028. We have \$71,000 in our two CDs that would cover the shortfall for those first four years.

- We currently have \$386,000 available between the five bequest funds, the two CDs and the Granville bank savings account. These funds are not part of our regular operating budget.

- The \$40,008 yearly payment is based on a projected broom swept sale price of \$625,000. Broom swept means the seller would completely remove all debris from the building except anything we specifically tell him to leave. We would use \$25,000 from each bequest fund to use as a down payment of \$125,000 leaving a balance of \$500,000 to be paid over 15 years.

- After FYE2024 ends we can opt to start giving staff larger than 2% raises, perhaps even a year earlier once we cover minimum wage for everyone. After FYE2032 we should have enough surplus funds to pay off the debt in full, four years early.

- After using \$125,000 for a down payment we still have \$138,000 remaining in the five bequest funds. We can use some of the remaining funds to purchase the air conditioning unit or we also have \$52,000 in savings in the Granville Bank that could be used for that purpose.

- The realtor said that Terry Glynn would likely pay us for all the scrap metal if we should decide to clean the building ourself.

- Building consultant Fred Schlipf was contacted and he thinks that having a warehouse is a great idea and a good solution for us since we are spread out around the county and not concentrated in a single building.

- The realtor said don't be afraid to make an offer. The seller is highly motivated and will listen to all offers.

Meeting adjourned at 3:40 p.m.

A special meeting will be held on March 29th, 2021 to discuss options.

Respectfully submitted,

Merry Bassi, Secretary