

Library Tax Advisory Committee Special Meeting Agenda

Mt. Shasta Library – 515 East Alma Street
Thursday, October 27, 2022; 2:30 p.m.

“Our mission is to maintain the character of our “small town” community while striking an appropriate balance between economic development and preservation of our quality of life. We help create a dynamic and vital City by providing quality, cost-effective municipal services and by forming partnerships with residents and organizations in the constant pursuit of excellence.”

Page	Item
	1. Call to Order and Roll Call
	2. Consent Agenda: Approval of Minutes: April 21, 2022 Regular Meeting
	3. Library Director’s Report
	4. Discussion of 21-22 final budget
	5. Update on building expansion plan and Ad Hoc committee plans
	6. Adjourn: The next regular meeting is scheduled for April 20, 2022 Availability of Public Records: All public records related to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at City Hall located at 305 North Mt. Shasta Blvd., Mt. Shasta, CA at the same time the public records are distributed or made available to the members of the legislative body. Agenda related writings or documents provided to a majority of the legislative body after distribution of the Agenda packet will be available for public review within a separate binder at City Hall at the same time as they are made available to the members of the legislative body. The City of Mt. Shasta does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or provision of services. In compliance with the Americans with Disabilities Act, persons requiring accommodations for a disability at a public meeting should notify the City Clerk or Deputy City Clerk at least 48 hours prior to the meeting at (530) 926-7510 in order to allow the City sufficient time to make reasonable arrangements to accommodate participation in this meeting

**MT. SHASTA LIBRARY TAX ADVISORY COMMITTEE
DRAFT MINUTES SPECIAL MEETING
MT. SHASTA LIBRARY
515 East Alma Street
April 21, 2022
The meeting was conducted via Zoom**

The purpose of the Committee is to review and make recommendations to the City Council of the City of Mt. Shasta on the expenditure, investment, or encumbrance of revenues raised from the Library Transactions and Use Tax. The Committee will also review and make recommendations to the City Council on the operations of the library as they may relate to the expenditure of those revenues. The Committee will serve as a forum for the free exchange of information and ideas relating to Library issues.

1. Call to Order:

The meeting was called to order by Chairman Dennis Johnson at 2:30 PM.

2. Roll Call:

Present: Chairman Dennis Johnson, Ted Marconi, Cheryl Bauer, Betty Kreeger.

Also Present: Courtney Laverty, Executive Director, Community Staffing Solutions, LLC.; Dean Whetstine, LTAC applicant

3. Public Comment: There was no public comment.

4. Consent Agenda: Approval of Minutes: Regular meeting April 15, 2021

The minutes of the listed meeting was approved on a motion by Red Marconi and seconded by Dennis Johnson. The vote was 4-yes, 0-no.

5. Announcements:

Dennis announced that Ray Nobriga had resigned and Dean who had been on LTAC previously decided to put in his application. Hopefully he will be approved at the April 9th City Council meeting, and we will have 5 members again.

6. Executive Director's Report:

Courtney Laverty reported there has been a drop in library customers during the Covid time but feels when we're back to normal activity she feels those numbers will go up. Referring to the door count which is in her typed report she said it is a common statistic used but includes a lot of the same people every day instead of all different people.

The was a power outage in Yreka beginning in December which messed up the computer server and all the library software got deleted; and they didn't have the file from when it was first installed. So, it took them 2-1/2 months to get the public computers and printers back up. Courtney has an alternate internet office phone bundle with Snowcrest. Therefore, she was able to get online with Chromebook and bypass the County server which made it easier to check out items that otherwise would have had to be done manually. So, community service did not really suffer during that

outage. She noted that it took the County so long to fix the problem because there is no County IT department. They have only one IT person but don't have one right now. The man doing the work now works for an independent contractor.

Because we've lost patrons Courtney tried to see if they had just migrated to the online.

We have the new California State Parks Pass Program through a grant from the state library so people can get a day-use parking pass to the state parks from the library for free with their library card. They can also put it on hold like a book. There is a website that shows state parks and where the parking pass is not accepted.

There is continued funding for Zip Books through the California State Library. We had \$25,000 through June 30th but Courtney isn't sure what that figure is right now. If books people would like to read are not in the system, they can order through Zip. Friends of the Library has been very generous in allowing Courtney to use their credit card to buy books every month. That is a way to respond to patron requests and fill in gaps such as the Picture Book selections for which Courtney sees a need. Dennis asked whether the County was providing money for books and Courtney said they are but wasn't sure if it is from that fund. Cheryl mentioned that the fund was originally came as a result of the Weed Fire in 2015 that destroyed the Weed Library. Courtney mentioned that the main librarian Michael Perry kept some aside anyway, but she hadn't talked with him about it in some time. Cheryl mentioned that amount was in 2015 (7 years ago) so there probably isn't any money left in that fund since it was intended to last for 3 or 4 years at the most which was Michael's goal.

Courtney mentioned we are still the most open and busiest library in the county. We have the most checked out. One challenging part has been that people are reading series of books which has made shelving more difficult.

Betty asked how the Zip book program works. Courtney explained that is not in the catalog, as long as it has been published more than 60 days ago and under \$35 then a person can go online and complete the form, or the library can do it for them. The county buys it from Amazon, and it ships directly to the patron's house. They have 6 weeks or so to read it, then take it to the library where it gets sent up for cataloging.

Betty asked about the meaning of "Koha Only", "Overdrive Only", and "Used Both Systems" identified on the Executive Director's Report. Courtney explained Koha is the library catalog which means people were only checking books out at the library. Overdrive is the E-book collection – digital books. It also includes Libby and iCloud. County statistics show last year 437 people were using only Overdrive which steadily increased over previous years, but this year has gone down a bit (360), but last year's numbers were for an entire year and this year's numbers are only for a few months – possibly through March. County-wide everyone is way down. Courtney asked Michael if there was a way to see if people transferred over to doing digital only and there isn't.

During Covid, the library had rearranged a lot of furniture and took out two public computers so there would be more space between people. That hasn't created a waiting problem, and people are so much happier having more space. There is also more space between chairs and tables, and it is working out nicely.

Ted asked if the 215 new patrons shown on the report is the difference between 498 and the 804 unique patrons' number. She said no, that is different. There is a report she can run just for Mt. Shasta Library, and she looked to see how many new cards were issued this year from July 1, 2021 to April 19, 2022. There are certain reports she can run.

Cheryl asked about Courtney's plans for the next fiscal year. She said her goal is to get everything back to full, being open 6 days a week to see how that goes, getting back to doing programming, and letting people use the rooms, etc.

Dennis asked what the stumbling blocks are to getting there. Courtney said Covid restrictions would be one. Dennis asked about staffing and Courtney said they're just about staffed. It would be things like who would want to stay late because this hasn't happened in a long time.

Cheryl mentioned the library hours went from 12 PM to 6PM to 1 PM to 5 PM. Courtney corrected that it was 12 PM to 5PM. Cheryl asked if there are any staff who left during the Covid period and not returned. Courtney said that's right because there was a period where they had to close and then there wasn't enough work to have everyone return. Courtney has hired all new staff except for Ron which means training everyone and getting them up to speed on peoples' interests. There are at least three new staff.

Betty asked how the July 1st opening of the library will be advertised. It will be in the paper and on the city website, Facebook, word of mouth and the County has an email program so it can be done that way.

Courtney said her goal for next year is more about the building and where she wants to spend her time, as well as what are people asking for. She also mentioned they have pretty robust tutoring happening now both through the County literacy program and students being tutored on the things they fell behind on during the past 2 years. She is allowing the use of the library space for things like that.

Ted asked about the drop in the level of after school activity. Courtney said that had not come back and probably because of peoples' schedules and childcare having changed. And it is also because there are new kids who never were in the habit of coming over. Some of the previous kids who came are now in high school. People are still trying to figure out how to get back to normal – masks/no masks, etc. Cheryl mentioned a lot of parents are still at home working too. Courtney said these all play into how she decides what she is going to focus on next year. She mentioned it could also work in our favor with inflation so high and people buying less; therefore, people might come more often because they won't be buying books or streaming.

7. Discussion - FY2021-2022 Budget

Dennis asked for questions on the budget.

Courtney she should have changed some things. Last year for utilities she had \$9,000. This time she put \$12,500 because she was trying to anticipate what could happen. She sees fuel bills, but never sees an electric bill. Cheryl noted that we know fuel is up. Dennis noted we can put in a little bit more and then put it in the reserves. Courtney said she generally under spends. She raised administrative overhead to \$5,000 and everything else is the same except for that. Dennis noted our projected total expenditures for the last few years has been \$225,000 to \$230,000, although we've come nowhere near that. so we can use that number if we ever get back to normal.

Dennis mentioned Ted is working on a projection of expenses in excess in future years so this gives us a good starting point, so we know what we have left over to possibly service a loan.

Courtney said regarding the \$10,000 Capital Outlay, she doesn't have any capital project per se but left that in for the building project. And we need to talk about what that is going to do to the building project because that's what all the previous expenses had come out of. She put all the

equipment expense at \$3,000. The library is on a rotating schedule of replacing computers. This year she was going to have to replace two – the staff computers. But she found out yesterday that the Vestal Foundation, which is a library foundation working with County is willing to buy a new computer for each branch.

Cheryl asked if Courtney attended the Vestal meeting. She did not. She didn't get the message that there was a meeting. She asked if Cheryl went and she did not, but she said she knew they were talking about spending their money. Courtney said they replaced the library's self-check machine. They gave the library money for Covid mitigations which paid for the air filters.

Cheryl asked Courtney to send the Revenue Expenditure Report earlier so we would have more time to review. She noted that the public liability insurance in 2021-2022 of \$9,909 and Courtney budgeted \$3,000 for FY 22-23. Courtney asked if that was on the report from Muriel which Cheryl acknowledged it was. Courtney said that was a mistake. Cheryl said it showed the budget of \$9,609 and year-to-date \$5,500.¹ Cheryl noted City Fiscals are \$7,200. They agreed it should probably be \$10,000 FY 22-23 Liability Insurance.

Regarding building maintenance, Cheryl asked Courtney if she has any concerns about the gutters such as water dripping on the sidewalk. The building needs some work, but the budget stayed the same. What are your concerns about the building? What are you observing?

Courtney said we could use that capital outlay money to fix the front entrance. The way the gutters are, they overflow, and every year water streams down onto the walkway which creates an ice problem. The gutters are cleaned regularly so unsure of what the problem is. LTAC and Courtney have reached out to the city to do something, but nothing has been done. Cheryl asked about whether a work order was created. Courtney said that wouldn't be a work order to re-design and fix the entrance. That is separate. As Cheryl mentioned that entire area is on the demolish list. This creates a safety issue that needs to be addressed.

Courtney brought up the parking issue. The library has 22 designated parking spots. The school never respects it and every year she must remind the school not to park in those spaces. She has proposed a couple of resolutions to the city such as painting "Library" on those spaces or something that will delineate those spots. The city always responds that it will interfere with plowing. If there is snow on the ground the paint cannot be seen. Dennis said that issue will be addressed when we get into the building program.

In response to Cheryl's question about what Courtney's goals for the library, she said she needs to consider whether things have changed so much due to the past 2-1/2 years what that does to the library plans. The the focus now seems to be inclusive, diverse, equitable and social thinking as opposed to programming, etc. And what do people in our community want? And Dennis said figuring out where the future is going is an important element as we move forward because it is already different from 5 years ago when the initial plans were drawn up which he feels is better as we bring the community back together. It will be more like a community center because to some extent people bring their own information with them – I-pads or phones. This will affect how we configure the library. Cheryl feels a lot of the new design of the floor plan accommodates that. Dennis mentioned that as we redesign the advantage is that we can get community input on what we think will be the future. What will best serve the community? He feels one of the principals we had initially is going to play an important role such as build an open space library so in the future interior walls are not bearing and can be moved to meet different demands as the needs arise.

¹ Secretary's Note: this says "Insurances, Licenses & Taxes, original budget of \$9609 and YTD Actual of \$5,575. Is this just insurance, or does it include license and taxes? If not, shouldn't it be changed to just Insurance?"

Dennis asked if there were other questions or if we want to approve as amended which adds \$7,000 to the final budget which brings it to \$238,050. Betty moved that we approve the proposed budget for FY 22-23 as amended. Cheryl seconded and it was approved unanimously.

8. Library Expansion Update:

Dennis began by stating he had sketched out a structure. We need to provide to the City Council, elected members of the city, a plan to move forward with the library expansion. It needs to be fairly detailed. He has a two-step plan: 1) how we're going to move the steps forward for the actual building and site. 2) how we put together a group that can manage that development. His overriding mantra is we need to develop it so everyone can work together to get the project done. The city, LTAC and the community all need to be on the same wavelength working together, not working separately and independently so we don't waste money.

About a week ago four of us (Dennis, Courtney, Cheryl, Evelyn) met with our new Planner Teresa Spade and we looked at the building plans submitted to the city by Mt. Shasta Engineering. Same plans with slight differences. We concluded that we cannot modify them in any way because they are copyrighted by the engineering firm. We must use all or none of them. That is fine because architecturally size wise and space wise they are a non-starter which means we have to reject that part and start over again with 2020 codes in which the codes were changed dramatically. That is a good thing because we don't want to be stuck with their plans. They did do other things in the project we can still incorporate such as NEPA, CEQA, soils, etc. – all the agencies' work we needed. We are talking about the actual building that we need to redesign which is what LTAC did the end of 2016. We need to think about how much money we can put into a loan to build with. Fortunately, that's been done because NEPA was done. Asks the question, Isn't that right?

Ted said if we change the building, we need to do it all over again. A new NEPA. Courtney agreed because it is tied to the building and the site.

Cheryl said she went back to the city and spent a couple of hours looking at the plans. In terms of our goal of making it smaller and identify what we don't like about it. No one seems to like the roof line or some of the exterior. But she feels there is a lot of interior waste of space. Feels it might not be necessary to build the entire structure. She thinks we should spend more time considering the plans that have been made. For instance, the bathrooms take up a huge amount of space. Thinks three stalls and two sinks in all bathrooms is too much. They are not even up to date with current standards which typically have a stall and a sink and a door that locks and they are not gender differentiated and no urinals – for example. Teresa Spade gave us some ideas about use of the ideas of current plans.

Dennis said he understands but Teresa also made it clear that if we did something like alter the roof line that it would negate the entire set of plans. It doesn't mean we can't incorporate things that we like and take things away. That is why we decided we have to go back and start over again. He asked Teresa how minor our alterations can be and still use these plans and the answer was "not much". So, why are we even trying to use these plans if we are going to have to have somebody come in at the end of the planning period and re-engineer the entire thing and come up with a set of plans like they have? The people we are working with are good idea people, but not certified engineers. Dennis suggests we take the plans Chris and the previous committee provided and put together a wider-ranging building committee than we had previously, discuss the new requirements, incorporate someone like Tom Hesseldenz into the process so we can talk about the entire building including the outside and put together a new plan. What we need to give to the city is what we gave to them in the Spring of 2017 – floor plan, plant plan and elevations.

And then tell them we need to hire an engineer who is willing to work with us to finish the engineering on the plans so we can submit them. That is what we tried to do in 2017 but the city refused to listen to us. That would be the first basic criteria for spending more of our reserve money for the engineering. We already have done the design – not turning it over to an engineer. We will do it as a community and have plenty people with expertise to come up with a plan. There are two steps in that process. 1) present to the City Council, the ultimate authority, on May 9th our plan as to how we are going to accomplish this and 2) what systems are we going to set up to make sure we get there. That is the tentative plan, but we first need a project manager on the city side – and Teresa talked about that. It would mean someone who oversees making sure things flow properly which is probably the City Manager. It could be the Planner. Whoever they decide to appoint. Working directly with them would be someone LTAC appoints to represent the community and LTAC's interests. That would be the Community Project Manager. This would be a system requiring communication between the community and the city which is what we did not have last time and was problematic.

Cheryl likes the idea and thinks we should pay this person, put them on a contract with expectations and not a volunteer. Dennis feels that possibly should be determined by the stage of the project. That would exclude anyone on the committee from serving in that position. Ted and think in that it should be an independent person with specific qualifications who cannot be rejected out of hand.

Dennis wants this person reporting to LTAC because LTAC represents the community, and this project is in the community's interest. LTAC should set up a couple of working committees which should include people from LTAC (2 members max as required under the Brown Act), appropriate representatives from the city, and representatives from the community. The first would be the Building Committee which will set up the new plans. It would include two LTAC members, at least the City Planner, or any other person the city would want to appoint. It could include people from the community like Chris who designed the previous building. It might include someone like Tom Hesseldenz. We need to look at the whole project. Where are we going to put parking? Never liked the parking system Juliana designed. We do not have to take anything that has been done except for the approval of the area. We could discuss the questions Courtney brought up such as how to use the space and what will be different. How to make the building blend into the environment. How is the extension going to intersect with the meadow? Then design something simple, easy to build, and as inexpensive as possible. Then come up with a floor plan to turn into the city who can then hire whomever it needs to flush out the plan.

The Building Committee. He sees the building committee changing dramatically. Regarding the building itself with the funds we lend or use out of our own reserves we're going to build a building. We are not going to put anything inside the building because that's what the community is going to do. Friends of the Library and Rotary moneys will go for that which will minimize what we will have to pay for prevailing wages. That will give us a finished building to fill it up with whatever we decide. The first phase is the planning phase. The people involved in that and those involved in the actual building phase once the plans are approved may be different. Then hire a person to manage the project who is agreeable to the city and LTAC, no one side or the other controls. We may have two project managers or only one to facilitate the communication.

Another committee would be Community Relations, or maybe call it Fund Raising developed from LTAC, who will interact with the Rotary, Friends. We can have members of both on the committee. This is where the community members become critical, LTAC will be recruiting key people. Random input from the community isn't very effective but respects input from community members who convey what the community wants, gets us money and gets involved in the building of the project with help from the fund. By the end of the year, it will be about \$800,000 which isn't

bad since we've already spent \$200,000 to get to where we are now. Asks Ted for input due to his experience.

Ted said regardless of what we do, we must get the City Council on board. He wasn't involved on either the city side or library side when plans were first presented but somehow it went drastically wrong. Doesn't have a sense of what that was, and we need to identify that and how to deal with that to move forward.

There was discussion about what that was, but Dennis concluded that what happened was the City Council authorized an RFP and gave it to Juliana and that is the last time LTAC saw of the project. She wasn't interested in our input, wasn't interested in the project we presented, and in his opinion, Bruce didn't mentor her how to go about the project. So, she treated it like she would a college project. She drew up an RFQ and treated it as if was an RFP. Whenever LTAC tried to intervene in the project she and Bruce rejected our input. Early in the RFP process Dennis tried to get Juliana to discuss money and she said it wasn't important. There was no budget.

Ted: The problem resides at the City Council level and until we deal with that it doesn't matter, and the contact with the City Council is through the City Manager. So, if Bruce said this is Juliana's project, then that was the city's position, and he didn't care what LTAC said and as far as the City Council knew they didn't care what LTAC said. The City Council is elected by the people, and if we can't get what we need from the City Council then we have to go to the people and have them tell the City Council what they want. Courtney added that we were in front of the City Council several times, but the City Council changed over the years, and it made no difference.

Dennis: That is why I plan on presenting this plan to the City Council. We need to govern equally, work together amicably, and we're not interested in getting into the project unless that is going to happen which didn't happen last time. He would not be averse to City Council members sitting on some of these committees too. Dennis will be presenting this plan at the May 9th City Council meeting. He wants himself and Ted to get together with Todd and possibly fill out the committees. Who does Todd want representing this project and does he agree with this plan? If he doesn't there is no reason to go forward. If we get that agreement, then we can set up the structure and modify as necessary. But we first establish that this is a dual project with the city and that represents the permanent city employees, and the City Council who has a real role to play. One is to approve our plan. Second, when we approve the plan, the community has to come up with (floor plan, elevation, etc.) then we can find the right people to finish the plan and present it to the City Council or to the Planning Commission. He would encourage the city to be involved – maybe John Stackfleth because he seems to be interested in it. He has talked with John Stackfleth and Redmond, and Mayor Collings and they are in favor of us moving in this direction at the City Council meeting where LTAC presented.

Courtney: Let me clarify what it is you are presenting to City Council. Is it we have decided to scrap these plans, we want to start fresh, and this is our proposal?

Dennis: I'm not saying scrap the plans totally. We will go through them and see what we can glean from them because we paid a lot of money for them. We want to utilize whatever we can of the plans. We can't utilize the actual plans because it is going to be very different.

There was much discussion between Dennis and Cheryl about whether we could change the plans. Dennis concluded that in his discussion with Teresa she said if we change the roof line then we have negated these plans and must draw new ones. That is non-negotiable. We are not putting that roof line onto the building. So, we cannot modify these plans because the copyright would be violated, and we would have to use that engineering company, and none of us are interested in working with Mt. Shasta Engineering. Cheryl asked what we are dumping. Dennis

replied, we're not dumping anything; we're going to take the best ideas and draw new plans with new criteria. It gives us an opportunity to just go back to 2017 where we submitted a plan for them to engineer but it gives us a plan to go back to the fall of 2016 and rethink the entire thing.

Cheryl mentioned when she went back and looked at her notes both Courtney and Stackfleth – and Dennis – suggested we wait and see how all of this is going to shake out. Courtney said we don't know if things are going to go back to what it was before. If not, everything that went into analyzing library uses, doing hourly pages of how the building was being used. It is not being used the same way now. She made a list of requirements regardless: storage vault. She has to throw out library things because there isn't enough room. The room that is being used for staff, tutoring, etc. isn't sufficient. Need a private tutoring space and lunchroom. She would like a staff restroom. The ice safety issue.

Dennis interjected that once the Building Committee is started our plan is to incorporate the new building into the old building and set up a financial situation where we can do both. The current plan doesn't use the existing resources. For instance, there is no reason to get rid of good restrooms if they serve the purpose – one is a family (multi-gender) restroom and one is a staff restroom. The bathrooms on the current plan are excessive. He feels we need more gathering and lounging spaces. If we make the spaces completely open, we can change things around because the interior walls are non-bearing.

Cheryl asked about what building codes changed because there had been a lot of fear about wanting rush because of codes going to change. Courtney mentioned these changes: solar panel, sprinklers. Ted and Dennis said there is no longer that concern as we are under the new 2020 codes now. As Courtney and Betty mentioned, as long as the plans are accepted before the new codes go into effect the new codes do not affect us. And as Ted mentioned the codes are enacted every 3 years, so we do not have to worry about rushing. And Dennis mentioned that wasn't rushing it because it was 3-1/2 years after we gave the plan to the city. Dennis said they never received the actual permit and the only thing they approved were the existing plans.² So we need to start the entire process over: submit plans, get Planning Department approval, getting city approval. That should be a problem if we include the city into the planning process with them working with us. The Planner is part of Planning Commission and will make sure we are on track to do that.

Courtney asked if a permit was not issued, would Mt. Shasta Engineering have to go back and update the plans to meet the 2020 codes. Ted says he thinks so, but even if a permit had been issued and no work started (unless Covid tolled the time) we would have to get new plans anyway or have a new permit issued anyway. If the plans were stamped and approved, and due to Covid they stopped the tolling on the permit, it may not have expired. Dennis repeated the permit was never issued.

Dennis asked if we agree this is what he should present to the City Council.

Ted suggests Dennis present to the City Council that we believe there needs to be a major revision of the existing plans rather than we're going to throw it out and start from scratch. Dennis agreed and will give them the reasons why and emphasize that we must have a system where we work together. Ted reminded us that it is going to depend on Todd, the City Manager, because

² Note: I reviewed the 4-15-21 minutes which reads. "Juliana explained that because we submitted the permit before 2020 regulations went into effect, we must abide by previous building code standards. If we want to change things the building department determines we need to bring the building up to the current code which would cost more for engineering and construction" and later commented, "She [Juliana] said if LTAC recommends it they can withdraw the permit and do additional surveying." So according to JL a permit was issued.

he is the liaison between the Council and everyone. Cheryl mentioned Todd doesn't like the current plan. Dennis said Todd called him about the library when it was coming up for financing when the city wanted to put another 1/4 percent tax on the ballot which we all knew wouldn't pass and we wouldn't support it. We had promised the community that we had enough to move forward and do what needed to be done.

Cheryl mentioned that Teresa said that when we present this revision that we need to win over the City Council and mentioned this will save money.

Ted: And realize what we actually want, not what some engineer wants.

Dennis asked if Ted was able to come up with some figures. He said just quickly we (tax revenue) are capable of financing somewhere between ¾ of a million (\$750,000) and a million and a quarter (\$1,250,000). Dennis will present those figures and it will be up to the Building Committee to decide what size of structure and how we will spend it.

Cheryl asked for some clarification. Ted said it depends on interest rates, who we can get a loan from. He looked at a rural Development Community Facilities loan because that is probably the best interest rates. The issues with that are: One, the NEPA they require will be more extensive. Maybe Juliana already did, but he thinks she was planning to federal grants in the first place, so it may be that is done. There are also issues with the upfront costs. To finance through Rural Development, we would have to revenue bonds. There are \$50,000 to \$70,000 in closing costs for bond counsel and issuance. Given their interest rate, it is well worth it. We don't know where the interest rates are going. They told Ted if you want to be conservative, plan at 4%. He looked at 3%. He looked at Muriel's numbers of \$300,000 minus a budget of \$250,000 and figure we have about \$60,000 free cash flow which would basically put us between ¾ and a million that we could finance. He said those are just "quick and dirty" numbers. Dennis said that is what we need, and we will take a closer look if we get approval to move forward because that is a critical factor on what we can build with the funds we have. Ted mentioned he didn't do any analysis of grants, etc., but if we could come up with \$2 million in grants and we will only need to finance a million we would be in good shape to build a \$3-million building. Dennis noted we will have almost \$1 million in reserves by the time we start building.

Ted moved that we authorize Dennis to approach the City Council with a potential structure for going forward with a major revision of the current plans. Courtney seconded the motion. Approved unanimously.

Dennis will put that together and try to get together with at least some of the City Council members and let them know what is coming, especially John Stackfleth who has been really close to us and get his input and maybe a couple of others. He will also see if he can get Ted and himself a meeting with Todd and get his commitment. If we don't have his commitment to move ahead with this, there is no sense presenting it.

9. Adjourn: The next regular meeting is scheduled for October 20, 2022.

The meeting was adjourned at 4:04 PM by Chairman Johnson.

Submitted by: Betty Kreeger, Secretary.