



H. J. Umbaugh & Associates
Certified Public Accountants, LLP
8365 Keystone Crossing
Suite 300
P.O. Box 40458
Indianapolis, IN 46240-0458
Phone: 317-465-1500
Fax: 317-465-1550
www.umbaugh.com

February 29, 2012

Mr. Brian Bailey, Commissioner
Department of Local Government Finance
100 North Senate Avenue, #N-1058
Indianapolis, IN 46204-2211

Re: Johnson County Public Library Proposed General Obligation Bonds of 2012

Dear Mr. Bailey:

Pursuant to Indiana Code Section 6-1.1-20-3.6(m), enclosed please find information regarding the local public question for the project referenced above which will be placed on the ballot of the upcoming election scheduled for May 8, 2012.

If you have any questions about this information or if we can provide you with anything further, please do not hesitate to call.

Very truly yours,

UMBAUGH

Colette J. Irwin-Knott

CJIK/rkf

Enclosures

cc: Ms. Beverly Martin, Library Director, Johnson County Public Library
Mr. Brian J. Deppe, Deppe Fredbeck & Boll
Ms. Jane Herndon, Ice Miller LLP
Ms. Kristin McClellan, Ice Miller LLP
Mr. William Payne, Fanning Howey

Political Subdivision: Johnson County Public Library
County: Johnson County
Date of Submission: February 29, 2012
Date of Referendum: May 8, 2012

Pursuant to Indiana Code Section 6-1.1-20-3.6(m), the following information is being provided:

1) Cost per square foot of the buildings being constructed as a part of the controlled project

<u>Building</u>	<u>Renovation Cost/Square Foot*</u>	<u>Construction Cost/Square Foot*</u>
New Franklin Library Branch		
Main Building	N/A	\$216.36
Two Level Parking Deck	N/A	\$62.36
Existing Franklin Library Branch	\$40.00	N/A
White River Township Branch	\$20.00	N/A

*Assumes hard construction costs per Fanning Howey.

2) Effect that approval of the controlled project would have on the political subdivision's tax rate

The effect that the approval of this project would have on the debt service tax rate is estimated to be a maximum of \$0.0426 in budget year 2020. There will not be an impact on any other tax rates of the Library resulting from this project. See Exhibit A.

3) Maximum term of the bonds or lease

The maximum term of the bonds is 20 years. This information is reflected in the Notice of Adoption of Preliminary Determination that was published on January 26, 2012 subsequent to the Preliminary Determination Hearing on January 24, 2012.

4) Maximum principal amount of the bonds or the maximum lease rental for the lease

The maximum principal amount of the Bonds is \$25,015,000.

5) Estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

The estimated interest rates range from 2.00% to 5.65% with estimated total interest costs of \$13,750,744 over the life of the bond issue.

6) Purpose of the bonds or lease

See Exhibit B for a project description.

EXHIBIT A

JOHNSON COUNTY PUBLIC LIBRARY

**PRELIMINARY SCHEDULE OF AMORTIZATION OF \$25,015,000 PRINCIPAL
AMOUNT OF PROPOSED GENERAL OBLIGATION BONDS OF 2012**

Assumes Bonds dated December 28, 2012

Net Interest Cost - 5.00%

<u>Payment Date</u>	<u>Principal Balance</u> (-----In \$1,000's-----)	<u>Principal</u>	<u>Assumed Interest Rate (1)</u> (%)	<u>Interest</u>	<u>Total Debt Service</u>	<u>Budget Year Debt Service</u>
7/15/2013	\$25,015	\$410	2.00	\$608,424.92	\$1,018,424.92	
1/15/2014	24,605	470	2.25	551,821.25	1,021,821.25	\$2,040,246.17
7/15/2014	24,135	475	2.25	546,533.75	1,021,533.75	
1/15/2015	23,660	480	2.55	541,190.00	1,021,190.00	2,042,723.75
7/15/2015	23,180	485	2.55	535,070.00	1,020,070.00	
1/15/2016	22,695	490	2.75	528,886.25	1,018,886.25	2,038,956.25
7/15/2016	22,205	500	2.75	522,148.75	1,022,148.75	
1/15/2017	21,705	505	2.90	515,273.75	1,020,273.75	2,042,422.50
7/15/2017	21,200	510	2.90	507,951.25	1,017,951.25	
1/15/2018	20,690	520	3.30	500,556.25	1,020,556.25	2,038,507.50
7/15/2018	20,170	530	3.30	491,976.25	1,021,976.25	
1/15/2019	19,640	535	3.65	483,231.25	1,018,231.25	2,040,207.50
7/15/2019	19,105	545	3.65	473,467.50	1,018,467.50	
1/15/2020	18,560	555	3.90	463,521.25	1,018,521.25	2,036,988.75
7/15/2020	18,005	570	3.90	452,698.75	1,022,698.75	
1/15/2021	17,435	580	4.15	441,583.75	1,021,583.75	2,044,282.50 (2)
7/15/2021	16,855	590	4.15	429,548.75	1,019,548.75	
1/15/2022	16,265	605	4.30	417,306.25	1,022,306.25	2,041,855.00
7/15/2022	15,660	615	4.30	404,298.75	1,019,298.75	
1/15/2023	15,045	630	4.60	391,076.25	1,021,076.25	2,040,375.00
7/15/2023	14,415	645	4.60	376,586.25	1,021,586.25	
1/15/2024	13,770	660	4.80	361,751.25	1,021,751.25	2,043,337.50
7/15/2024	13,110	675	4.80	345,911.25	1,020,911.25	
1/15/2025	12,435	690	4.90	329,711.25	1,019,711.25	2,040,622.50
7/15/2025	11,745	705	4.90	312,806.25	1,017,806.25	
1/15/2026	11,040	725	5.05	295,533.75	1,020,533.75	2,038,340.00
7/15/2026	10,315	745	5.05	277,227.50	1,022,227.50	
1/15/2027	9,570	760	5.15	258,416.25	1,018,416.25	2,040,643.75
7/15/2027	8,810	780	5.15	238,846.25	1,018,846.25	
1/15/2028	8,030	800	5.25	218,761.25	1,018,761.25	2,037,607.50
7/15/2028	7,230	820	5.25	197,761.25	1,017,761.25	
1/15/2029	6,410	845	5.35	176,236.25	1,021,236.25	2,038,997.50
7/15/2029	5,565	865	5.35	153,632.50	1,018,632.50	
1/15/2030	4,700	890	5.45	130,493.75	1,020,493.75	2,039,126.25
7/15/2030	3,810	915	5.45	106,241.25	1,021,241.25	
1/15/2031	2,895	940	5.60	81,307.50	1,021,307.50	2,042,548.75
7/15/2031	1,955	965	5.60	54,987.50	1,019,987.50	
1/15/2032	990	990	5.65	27,967.50	1,017,967.50	2,037,955.00
Totals		<u>\$25,015</u>		<u>\$13,750,743.67</u>	<u>\$38,765,743.67</u>	<u>\$38,765,743.67</u>

(1) Represents current interest rates plus 1%.

(2) Maximum annual debt service.

(Prepared by Umbaugh)
(Preliminary - Subject to Change)

JOHNSON COUNTY PUBLIC LIBRARY

SUMMARY OF PROJECTED DEBT SERVICE TAX RATE
(Assumes a \$25,015,000 Bond Issue)

<u>Budget Year</u>	<u>Outstanding Debt</u> (Unaudited)	<u>Proposed General Obligation Bonds of 2012</u> (1)	<u>Total Debt Service</u>	<u>Tax Levy</u> (2)	<u>Net Assessed Value</u> (3)	<u>Existing Debt Service Tax Rate</u>	<u>Estimated Proposed Debt Service Tax Rate</u>	<u>Estimated Combined Debt Service Tax Rate</u> (4)
2010	\$2,023,413		\$2,023,413	\$1,890,381 (5)	\$4,458,445,952 (6)	\$0.0424 (7)		\$0.0424
2011			0	0 (8)	4,502,989,165 (9)	0.0000 (10)		0.0000
2012			0	0	4,563,472,972			0.0000
2013		\$2,040,246	2,040,246	1,938,234	4,563,472,972		\$0.0425	0.0425
2014		2,042,724	2,042,724	1,940,588	4,563,472,972		0.0425	0.0425
2015		2,038,956	2,038,956	1,937,008	4,563,472,972		0.0424	0.0424
2016		2,042,423	2,042,423	1,940,301	4,563,472,972		0.0425	0.0425
2017		2,038,508	2,038,508	1,936,582	4,563,472,972		0.0424	0.0424
2018		2,040,208	2,040,208	1,938,197	4,563,472,972		0.0425	0.0425
2019		2,036,989	2,036,989	1,935,139	4,563,472,972		0.0424	0.0424
2020		2,044,283	2,044,283	1,942,068	4,563,472,972		0.0426	0.0426
2021		2,041,855	2,041,855	1,939,762	4,563,472,972		0.0425	0.0425
2022		2,040,375	2,040,375	1,938,356	4,563,472,972		0.0425	0.0425
2023		2,043,338	2,043,338	1,941,171	4,563,472,972		0.0425	0.0425
2024		2,040,623	2,040,623	1,938,591	4,563,472,972		0.0425	0.0425
2025		2,038,340	2,038,340	1,936,423	4,563,472,972		0.0424	0.0424
2026		2,040,644	2,040,644	1,938,612	4,563,472,972		0.0425	0.0425
2027		2,037,608	2,037,608	1,935,727	4,563,472,972		0.0424	0.0424
2028		2,038,998	2,038,998	1,937,048	4,563,472,972		0.0424	0.0424
2029		2,039,126	2,039,126	1,937,170	4,563,472,972		0.0424	0.0424
2030		2,042,549	2,042,549	1,940,421	4,563,472,972		0.0425	0.0425
2031		2,037,955	2,037,955	1,936,057	4,563,472,972		0.0424	0.0424

(1) See page 1.

(2) Assumes a financial institutions/license excise factor of 5%, with 95% payable from a property tax levy.

(3) Based on the 2011 pay 2012 certified net assessed value of \$4,563,472,972 for the Johnson County Public Library. Assumes no growth thereafter.

(4) Represents estimated debt service for outstanding and proposed debt. Per \$100 of Net Assessed Value.

(5) Pay 2010 certified levy per the Department of Local Government Finance.

(6) Pay 2010 certified net assessed value per the Department of Local Government Finance.

(7) Represents the actual 2009 pay 2010 debt tax service rate.

(8) Pay 2011 certified levy per the Department of Local Government Finance.

(9) Pay 2011 certified net assessed value per the Department of Local Government Finance.

(10) Represents the actual 2010 pay 2011 debt tax service rate.

(Prepared by Umbaugh)
(Preliminary - Subject to Change)

EXHIBIT B

Project Description

New Franklin Branch

A new, two story, 70,000 square-foot, full service library branch will be constructed at a key downtown intersection in Franklin, Indiana and will include a 250 car, two-level parking deck to provide access for library patrons while supplementing parking needs for state and local government workers. The architectural style will compliment the downtown character while respecting established building setbacks, massing and detailing. Patron access will be gained from both street and parking deck levels. Internal organization will provide a flexible and efficient layout that will enable management by current staff. Buildings systems will provide a comfortable environment while pursuing energy efficiency through sustainable strategies. Access to current technology with flexibility to adapt to new technologies in the future will be provided throughout.

Existing Franklin Branch Renovation

The construction of a new downtown library will allow this existing 21,500 square foot branch to be repurposed for county wide library services. The mostly open interior will easily lend itself to a reorganization which will include administrative offices, work areas, receipt, storage and distribution of library materials, and a variety of meeting spaces to help serve the ever growing demands of this community. Renovation work will be primarily focused on the interior conversion to a service center with some maintenance and replacement to occur where advisable.

White River Branch Renovation

The funds committed to this project site will be used to renovate the youth area and install a drive-up return. The youth area is a popular destination and the improvements to layout, technology and equipment will greatly assist these expanding services. The drive-up return will improve access for both patrons and staff.

Project Funding

The Library will utilize three sources of funding for the \$29,955,000 project. The majority of project funding will be financed with a \$25,015,000 bond issue. The Library will contribute \$1,440,000 of its own project funds, and the Redevelopment Commission will provide \$3,500,000 to partially fund the parking deck.