

Auburn Council Asked to Sign Off on Process to Help Make Library's Planned Addition Become Reality

Written by Nemaha County Herald

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During the April 26 meeting, Auburn City Council heard a presentation by Dick Hahn with the Auburn Library Board on the proposed addition to the Auburn Memorial Library.

Hahn, who was accompanied by Library Director Sherry Black, reported that the board has received an engineer's cost estimate in the amount of \$729,285 from Clark Enersen Partners. Of this amount, the library already has \$305,000 in cash and pledges on hand, a \$75,000 grant assured and confirmed by Peter Kiewit Foundation, and a \$109,000 grant assured by the U.S.D.A. to make a total of \$489,000 in cash and assured funds.

Hahn said a possible gift in the amount of \$100,000 from the Auburn Community Redevelopment Authority (CRA) representing monies collected over years for a Northwest Sewer Project which never came to fruition could boost that total to \$589,000. Without the money from the CRA the library would need \$241,000 more to build the addition. The Auburn Memorial Library Foundation has been advised that it can borrow money from the U.S.D.A. for 40 years at a 4% interest rate.

In order to satisfy the U.S.D.A., the Auburn City Council would need to deed to the Auburn Library Foundation the land upon which the Auburn Memorial Library currently sits. However, this task is complicated somewhat in that the City of Auburn has a 99-year lease with Nemaha County for the property and this is a technicality which would have to be dealt with legally. The Library Board would be required to repay the needed loans. For example, \$250,000 borrowed at 4% for 40 years would have a monthly payment of \$1,053.98 (\$15,047.88 annually). On the other hand, \$150,000 borrowed at 4% over 40 years would require a monthly payment of \$632.29 (\$7,480.68 per year). Hahn suggested that the City could agree to put money into its budget for whichever of these amounts it turns out to be, although he didn't believe it would be necessary for the city to come up with this amount.

Hahn said the library returns to the city monies collected from fines, copies, etc. Amounts for the last two years which were collected and turned over to the city totalled \$9,250 in 2008 and \$8,970 in 2009. The total for the first six months of Fiscal Year 2010 is \$4,149.

"If these funds could be transferred to the Auburn Library Foundation, they could be used for payments towards our indebtedness. Each year, the Foundation receives contributions through memorials, estate gifts, etc. We also have in the past held events that have raised a great deal of money. We feel that we could meet our payments in this manner," Hahn said.

"It certainly would not be sound judgment for the Foundation to enter into a loan agreement without the backing of the Auburn City Council as needed. We realize that these provisions would be needed to be considered in the city's annual budget," he added.

The City's Budget & Finance Committee will review the proposal which includes assuring the availability of up to \$15,000 annually for the library project, but Hahn noted that this money would most likely not be needed.

Hahn reported on having met with and planning to meet again on April 28 with the Nemaha County Commissioners to receive an easement as the library addition would extend west to very near the county's property line. The Library Foundation also plans to add some new parking stalls on the north side of the Nemaha County property and the county officials have

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assured the library officials that there is no problem with this plan.

The library spokesman said the entire library building will be totally electric, thus replacing the 16-year-old natural gas furnace and hot water heater. Officials believe that utilities for the enlarged facility won't be much higher than they run at present (about \$7,000 per year).

Hahn said plans are to put the project out for bid by around July 1 and with construction to start by Sept. 1.

City Attorney Albert Fuller will look further into the situation as to the interlocal agreement involving the property in question and how it could be worked out to satisfy the requirements for the U.S.D.A. to loan money to the Library Foundation for the project.