

AGENDA

Henika District Library
Finance Committee Meeting
January 20th, 2025 at 4:30pm

I. Call to Order

Members Present:

Members Absent:

Staff Present:

Guests:

II. Approval of Agenda

III. Approval of Previous Meeting Minutes

A. November 2025

IV. Unfinished Business

A. Expansion Bond/Millage

V. New Business

A. Expansion Plan Budget

B. Plan Research for additional upcoming topics

a. Process for planned gifts

b. Banking and CDs

VI. Around the table

VII. Adjournment

Henika District Library
Meeting Minutes

Henika District Library
Finance Committee Meeting
November 29, 2023 at 2:00 pm

Members Present: Jacqui Kuhn, Gary Marsh, Meghan Augustin (ex officio)

Members Absent: Maria Musgrave

Staff Present: Cierra Bakovka – Director

Guests: None

- I. Call to Order: Meeting called to order at 2:10 pm by Marsh.
- II. Approval of Agenda motioned by Augustin and seconded by Kuhn. All yes, motion passed.
- III. Approval of October 4, 2023 Finance Committee Meeting Minutes motioned by Augustin and seconded by Kuhn. All yes, motion passed.
- IV. Unfinished Business
 - a. Explore Funding Options for Building Project
 - i. Grants
 1. Bakovka is still awaiting a response on the Community Center Grant she submitted in August. Awardees were supposed to be notified in October, but it has been pushed back to December.
 2. Kuhn was not able to find any additional opportunities for grants as a potential funding source since the last meeting. Bakovka noted the Allegan County Community Foundation as a potential grant opportunity in the future once we have a more defined plan.
 - ii. USDA Loan
 1. Bakovka is working on the pre-application package for the USDA loan. The interest rate for this program is 3.875% for 30 or 40 years.
 - iii. Millage
 1. Musgrave is assigned to research millage as a potential funding source. No update provided due to absence.
 - iv. Bank Loan
 1. Marsh met with additional banks to explore funding via bank loan, but it is not likely to be a viable option due to interest rates in the 7.25-8.5% range or higher. This

information was necessary to compile for the USDA loan pre-application process.

v. Fundraising Campaign (Large Donors)

1. Marsh was tasked with researching fundraising campaigns as a potential funding source. There was discussion about potential fundraising through sponsorship/donor recognition pieces (i.e. bricks or leaves), as well as the initial community response to the survey that was sent out by the Building Committee. Kuhn suggested offering informational tours of the space once we are further along in the process to help educate the community on the library's needs, like what Wayland Union Schools offered prior to their millage. Bakovka will be attending the Chamber of Commerce gala to meet with other area business owners.

V. New Business – no new business.

VI. Around the Table

- a. Bakovka shared details on the plans for Snow Fest.
- b. Marsh suggested looking into working with the metal artist who created the art piece on the side of the library if we do the brick/leaf sponsorship-type fundraiser.

VII. Adjournment of the meeting motioned by Marsh and seconded by Kuhn.
Meeting adjourned at 3:04 pm.

Henika District Library bond project - preliminary schedules

Robert J. Naughton <naughtonrj@pfm.com>

Thu, 15 Jan 2026 4:14:39 PM -0500

To "Cierra Bakovka"<cierra@henikalibrary.org>

Good afternoon Cierra,

Attached are preliminary schedules for the estimated millage impact of \$3.5 million and \$4 million bond amounts with a May 2027 vote, comparing bond terms of 14 years, 16 years and 18 years. Summary and Taxpayer impact schedules are included to assist with comparing the scenarios. The filing deadline for the proposal with a May 2027 vote is February 9, 2027 and there must be a library Board meeting before that date to approve the ballot before filing. The final scope (project amount and bond amount) should be determined no-later than 1 week before that Board meeting date.

A bond amount of \$3.5 million and interest earned on proceeds during the construction period are projected to cover issuance costs and an estimated project amount of \$3,413,000. The estimated millage image is 0.68 mills, 0.60 mills and 0.55 mills for bond terms 14 years, 16 years and 18 years, respectively.

A bond amount of \$4 million and interest earned on proceeds during the construction period are projected to cover issuance costs and an estimated project amount of \$3,912,000. The estimated millage image is 0.78 mills, 0.70 mills and 0.64 mills for bond terms 14 years, 16 years and 18 years, respectively.

A shorter bond term would increase the estimated millage required and lower interest costs. The bond term could be as long as 30 years. A longer bond term would decrease the estimated millage required and increase interest costs. The maximum bond term appears on the ballot and there may be a preference for a bond term of 20 years or less.

The annual change in Taxable Value was 5.21% for 2022, 8.1% for 2023, 8.36% for 2024 and 6.27% for 2025. The annual change in Taxable Value utilized for the scenarios is 6.26% for 2025, 5.50% for 2026, 4.50% for 2027 & 2028 and 3.50% thereafter. Please let me know if you prefer a different Taxable Value projection or if there is anything happening within the community that would have a significant impact on the Tax base whether good or bad.

The schedules are based on a 100% December levy for each municipality within the library boundaries. This may change after we confirm the timing of the operating levy.

Eventually an architect/engineer or construction manager will provide a monthly draw schedule for spending bond proceeds and that will determine the project amount. PFM will prepare as many schedules as necessary to help determine the final scope for ballot purposes. The schedules could be updated for a different election. The millage impact may change in late May when the 2026 Taxable Value is released.

Please let me know if you would like additional schedules.

Thank you.

R.J.

R.J. Naughton

Director

PFM Financial Advisors LLC

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PFM Financial Advisors LLC is a registered municipal advisor with the SEC and the MSRB.

1 Attachment(s)

Tables 7-12 with Summary.pdf

658.1 KB

Preliminary

 HENIKA DISTRICT LIBRARY
 COUNTY OF ALLEGAN, STATE OF MICHIGAN
 BUILDING AND SITE BONDS
 (GENERAL OBLIGATION - UNLIMITED TAX)

 SUMMARY OF THE ESTIMATED MILLAGE IMPACT OF \$3.5 MILLION AND \$4 MILLION BOND AMOUNTS WITH A MAY 2027 VOTE
 COMPARING BOND TERMS OF 14 YEARS, 16 YEARS AND 18 YEARS

Scenario Table No.	Bond Amount	Estimated Capitalized Interest	Estimated Bond Proceeds for Project	Bond Term	Estimated Total Interest Cost	Estimated Interest Rate	Ballot Info		Maximum Total Mills All Debt	Increase (Decrease) in Debt Levy
							First Year Millage	Average Millage		
<u>14 Year Term</u>										
Table_7a	\$3,500,000	\$0	\$3,413,000	13 yrs., 9 mo.	\$1,239,020	4.10%	0.68	0.67	0.68	0.68
<u>16 Year Term</u>										
Table_8a	3,500,000	0	3,413,000	15 yrs., 9 mo.	1,495,410	4.20%	0.60	0.59	0.60	0.60
<u>18 Year Term</u>										
Table_9a	3,500,000	0	3,413,000	17 yrs., 9 mo.	1,746,445	4.30%	0.55	0.53	0.55	0.55
<u>14 Year Term</u>										
Table_10a	4,000,000	0	3,912,000	13 yrs., 9 mo.	1,412,655	4.10%	0.78	0.76	0.78	0.78
<u>16 Year Term</u>										
Table_11a	4,000,000	0	3,912,000	15 yrs., 9 mo.	1,677,690	4.20%	0.70	0.68	0.70	0.70
<u>18 Year Term</u>										
Table_12a	4,000,000	0	3,912,000	17 yrs., 9 mo.	1,964,670	4.30%	0.64	0.61	0.64	0.64

ASSUMPTIONS:

- a debt levy of 0 mills for 2026.
- May 2027 vote, bonds dated August 2027.
- an annual change in Taxable Value of 6.26% for 2025, 5.50% for 2026, 4.50% for 2027 and 2028 and 3.50% thereafter.

NOTATION:

- The interest rates shown above are estimates. The actual interest rates will be determined at the time of sale. Changes in interest rates may impact the millage required. The final millage will be based on actual interest rates, actual bond payments and actual taxable values.

RN

**HENIKA DISTRICT LIBRARY
 COUNTY OF ALLEGAN, STATE OF MICHIGAN
 BUILDING AND SITE BONDS
 (GENERAL OBLIGATION - UNLIMITED TAX)**

Preliminary

SUMMARY OF IMPACT OF BONDING ON PROPERTY TAXPAYERS

Scenario Table	Bond Amount	Estimated (Decrease) in Debt Levy	Estimated Initial Tax Decrease*											
			\$60,000 Taxable Value	\$70,000 Taxable Value	\$80,000 Taxable Value	\$90,000 Taxable Value	\$100,000 Taxable Value	\$110,000 Taxable Value	\$120,000 Taxable Value	\$130,000 Taxable Value	\$140,000 Taxable Value	\$150,000 Taxable Value		
<u>14 Year Term</u>														
Table_7a	\$3,500,000	0.68	\$40.80	\$47.60	\$54.40	\$61.20	\$68.00	\$74.80	\$81.60	\$88.40	\$95.20	\$102.00		
<u>16 Year Term</u>														
Table_8a	3,500,000	0.60	36.00	42.00	48.00	54.00	60.00	66.00	72.00	78.00	84.00	90.00		
<u>18 Year Term</u>														
Table_9a	3,500,000	0.55	33.00	38.50	44.00	49.50	55.00	60.50	66.00	71.50	77.00	82.50		
<u>14 Year Term</u>														
Table_10a	4,000,000	0.78	46.80	54.60	62.40	70.20	78.00	85.80	93.60	101.40	109.20	117.00		
<u>16 Year Term</u>														
Table_11a	4,000,000	0.70	42.00	49.00	56.00	63.00	70.00	77.00	84.00	91.00	98.00	105.00		
<u>18 Year Term</u>														
Table_12a	4,000,000	0.64	38.40	44.80	51.20	57.60	64.00	70.40	76.80	83.20	89.60	96.00		

*Based upon Taxable Value defined as the lesser of: A) assessed value [1/2 of true cash value]; or B) the prior year's Taxable Value, less losses times the rate of inflation plus additions.

In the scenario outlined in Table_8a for example, a person with a 'Taxable Value' of \$100,000 (which would be a market value of at least \$200,000 or more) would have an estimated increase (decrease) in taxes of approximately \$60.00.

NOTE: If taxpayer qualifies for the State homestead property tax credit, the "net" tax increase may be less than shown above.

RN

HENIKA DISTRICT LIBRARY
COUNTY OF ALLEGAN, STATE OF MICHIGAN
Taxable Value History

Levy Year		Taxable Value	T.V. Change	
2026	*	\$378,083,338	5.50%	< Estimate
2025	*	358,372,832	6.27%	< Estimate
2024		337,229,303	8.36%	
2023		311,217,724	8.10%	
2022		287,885,223	5.21%	
2021		273,629,918		

Table_7a 14 Year Term

\$3,500,000
HENIKA DISTRICT LIBRARY
COUNTY OF ALLEGAN, STATE OF MICHIGAN
2027 BUILDING AND SITE BONDS
(GENERAL OBLIGATION - UNLIMITED TAX)

ESTIMATED MILLAGE NEEDED TO RETIRE BONDED DEBT
Preliminary

Series 2027
 Amount: \$3,500,000
 TIC: 4.10%
 Dated Date: Aug 1, 27
 First Payment: May 1, 28 < 9 Months
 First Levy: Dec 1, 27
 Capitalized Int: \$0
 Debt/TV^[1]: 0.87%
 Bond Term: 13 yrs., 9 mo.
 1:5 Ratio: TRUE
 Average Life: 8.63
 Interest Factor: 0.35

Ballot Information	
Election Date	May 4, 2027
First Yr. Millage	0.68
Avg. Millage	0.67

Levy Cycle: December Only	
Millage Impact	
Projected	0.68
2024 Levy	0.00
Net Increase	0.68

Tax Year	Payment Year	Existing UT Debt \$0	Series 2027					Capitalized Interest	Delinquency Allowance 7.00%	Use of Funds on Hand \$0	Proposed and Existing UT Debt	Projected Tax Base ^[2]	Mills Needed		
			Principal Due May 1	Interest Rate	Interest Due May 1	Interest Due Nov 1	Total Debt Service						New Bond Avg. 0.67	All Debt	
2025	2026	\$0	\$0	4.100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$363,907,159	6.27%	0.00	
2026	2027	0	0	4.100%	0	0	0	0	0	0	0	383,922,052	5.50%	0.00	
2027	2028	0	75,000	4.100%	107,625	70,213	252,838	0	19,097	880	272,815	401,198,545	4.50%	0.68	0.68
2028	2029	0	145,000	4.100%	70,213	67,240	282,453	0	0	2,639	285,092	419,252,479	4.50%	0.68	0.68
2029	2030	0	165,000	4.100%	67,240	63,858	296,098	0	0	(1,028)	295,070	433,926,316	3.50%	0.68	0.68
2030	2031	0	180,000	4.100%	63,858	60,168	304,025	0	0	1,372	305,397	449,113,737	3.50%	0.68	0.68
2031	2032	0	200,000	4.100%	60,168	56,068	316,235	0	0	(149)	316,086	464,832,718	3.50%	0.68	0.68
2032	2033	0	225,000	4.100%	56,068	51,455	332,523	0	0	(3,716)	328,807	481,101,863	3.50%	0.68	0.68
2033	2034	0	240,000	4.100%	51,455	46,535	337,990	0	0	0	337,990	497,940,428	3.50%	0.68	0.68
2034	2035	0	265,000	4.100%	46,535	41,103	352,638	0	0	0	352,638	515,368,343	3.50%	0.68	0.68
2035	2036	0	285,000	4.100%	41,103	35,260	361,363	0	0	0	361,363	533,406,235	3.50%	0.68	0.68
2036	2037	0	310,000	4.100%	35,260	28,905	374,165	0	0	0	374,165	552,075,453	3.50%	0.68	0.68
2037	2038	0	330,000	4.100%	28,905	22,140	381,045	0	0	0	381,045	571,398,094	3.50%	0.67	0.67
2038	2039	0	345,000	4.100%	22,140	15,068	382,208	0	0	0	382,208	591,397,027	3.50%	0.65	0.65
2039	2040	0	360,000	4.100%	15,068	7,688	382,755	0	0	0	382,755	612,095,923	3.50%	0.63	0.63
2040	2041	0	375,000	4.100%	7,688	0	382,688	0	0	0	382,688	633,519,281	3.50%	0.60	0.60
2041	2042	0	0	4.100%	0	0	0	0	0	0	0	655,692,455	3.50%	0.00	
		\$0	\$3,500,000		\$673,323	\$565,698	\$4,739,020	\$0	\$19,097	\$0	\$4,758,117				

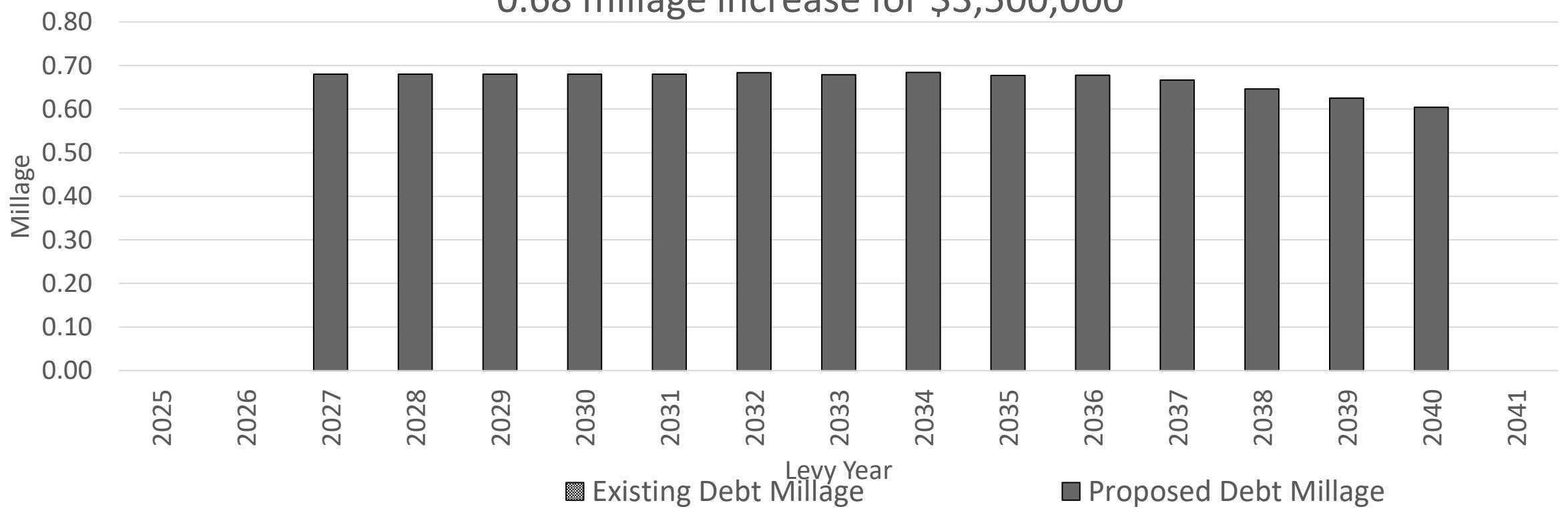
[1] Includes \$0 of Existing UT Debt and \$0 of Existing LTNQ Debt

[2] Includes \$5,534,327 of equivalent IFT valuations & less DDA/TIFA debt captures of \$0 for 2025.

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Henika District Library - Millage Analysis - Table_7a

0.68 millage increase for \$3,500,000



Table_8a 16 Year Term

\$3,500,000
HENIKA DISTRICT LIBRARY
COUNTY OF ALLEGAN, STATE OF MICHIGAN
2027 BUILDING AND SITE BONDS
(GENERAL OBLIGATION - UNLIMITED TAX)

ESTIMATED MILLAGE NEEDED TO RETIRE BONDED DEBT

Preliminary

Series 2027	
Amount:	\$3,500,000
TIC:	4.20%
Dated Date:	Aug 1, 27
First Payment:	May 1, 28 < 9 Months
First Levy:	Dec 1, 27
Capitalized Int:	\$0
Debt/TV ^[1] :	0.87%
Bond Term:	15 yrs., 9 mo.
1:5 Ratio:	TRUE
Average Life:	10.17
Interest Factor:	0.43

Ballot Information	
Election Date	May 4, 2027
First Yr. Millage	0.60
Avg. Millage	0.59

Levy Cycle: December Only	
Millage Impact	
Projected	0.60
2024 Levy	0.00
Net Increase	0.60

Tax Year	Payment Year	Existing UT Debt \$0	Series 2027					Capitalized Interest	Delinquency Allowance 7.00%	Use of Funds on Hand \$0	Proposed and Existing UT Debt \$0	Mills Needed			
			Principal Due May 1	Interest Rate	Interest Due May 1	Interest Due Nov 1	Total Debt Service					Projected Tax Base ^[2]	Growth Rate	New Bond Avg. 0.59	Mills Needed All Debt
2025	2026	\$0	\$0	4.20%	\$0	\$0	\$0	\$0	\$0	\$0	\$363,907,159	6.27%	0.00	0.00	
2026	2027	0	0	4.20%	0	0	0	0	0	0	383,922,052	5.50%	0.00	0.00	
2027	2028	0	40,000	4.20%	110,250	72,660	222,910	0	16,850	959	240,719	4.50%	0.60	0.60	
2028	2029	0	105,000	4.20%	72,660	70,455	248,115	0	0	3,436	251,551	4.50%	0.60	0.60	
2029	2030	0	125,000	4.20%	70,455	67,830	263,285	0	0	(2,929)	260,356	433,926,316	3.50%	0.60	0.60
2030	2031	0	135,000	4.20%	67,830	64,995	267,825	0	0	1,643	269,468	449,113,737	3.50%	0.60	0.60
2031	2032	0	150,000	4.20%	64,995	61,845	276,840	0	0	2,060	278,900	464,832,718	3.50%	0.60	0.60
2032	2033	0	170,000	4.20%	61,845	58,275	290,120	0	0	(1,459)	288,661	481,101,863	3.50%	0.60	0.60
2033	2034	0	190,000	4.20%	58,275	54,285	302,560	0	0	(3,710)	298,850	497,940,428	3.50%	0.60	0.60
2034	2035	0	205,000	4.20%	54,285	49,980	309,265	0	0	0	309,265	515,368,343	3.50%	0.60	0.60
2035	2036	0	225,000	4.20%	49,980	45,255	320,235	0	0	0	320,235	533,406,235	3.50%	0.60	0.60
2036	2037	0	245,000	4.20%	45,255	40,110	330,365	0	0	0	330,365	552,075,453	3.50%	0.60	0.60
2037	2038	0	270,000	4.20%	40,110	34,440	344,550	0	0	0	344,550	571,398,094	3.50%	0.60	0.60
2038	2039	0	290,000	4.20%	34,440	28,350	352,790	0	0	0	352,790	591,397,027	3.50%	0.60	0.60
2039	2040	0	315,000	4.20%	28,350	21,735	365,085	0	0	0	365,085	612,095,923	3.50%	0.60	0.60
2040	2041	0	330,000	4.20%	21,735	14,805	366,540	0	0	0	366,540	633,519,281	3.50%	0.58	0.58
2041	2042	0	345,000	4.20%	14,805	7,560	367,365	0	0	0	367,365	655,692,455	3.50%	0.56	0.56
2042	2043	0	360,000	4.20%	7,560	0	367,560	0	0	0	367,560	678,641,691	3.50%	0.54	0.54
2043	2044	0	0	4.20%	0	0	0	0	0	0	0	702,394,151	3.50%	0.00	
		\$0	\$3,500,000		\$802,830	\$692,580	\$4,995,410	\$0	\$16,850	\$0	\$5,012,260				

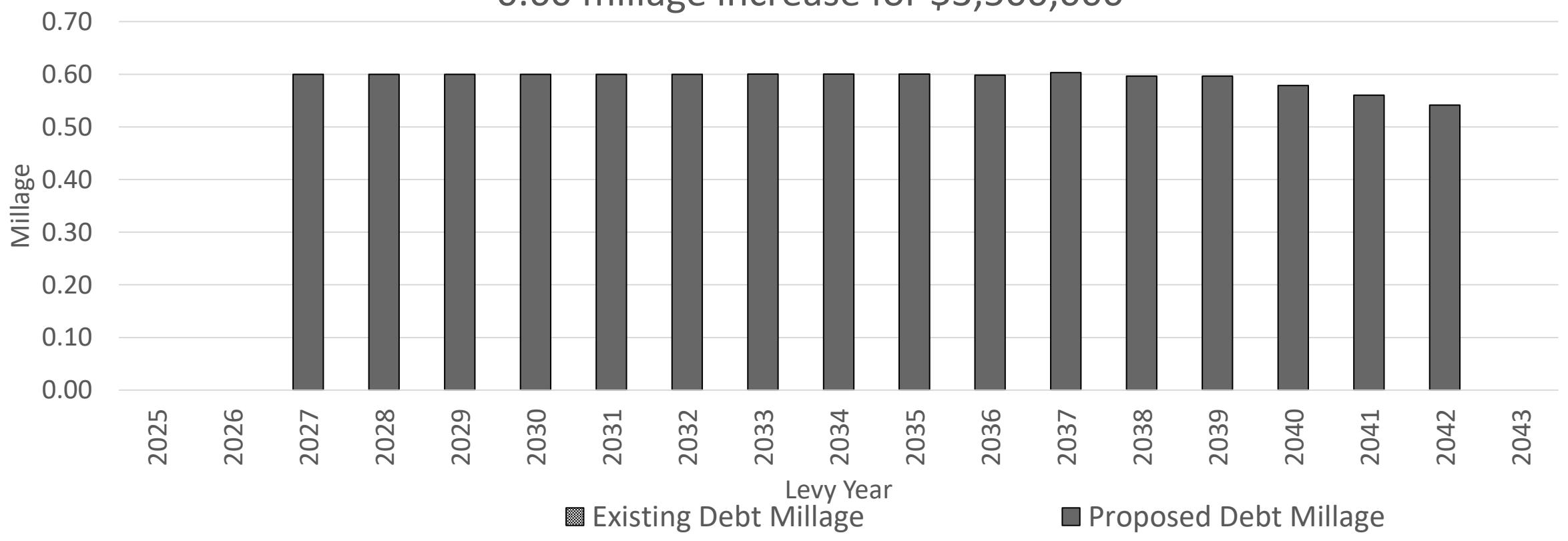
[1] Includes \$0 of Existing UT Debt and \$0 of Existing LTNQ Debt

[2] Includes \$5,534,327 of equivalent IFT valuations & less DDA/TIFA debt captures of \$0 for 2025.

RN

Henika District Library - Millage Analysis - Table_8a

0.60 millage increase for \$3,500,000



Table_9a 18 Year Term

\$3,500,000
HENIKA DISTRICT LIBRARY
COUNTY OF ALLEGAN, STATE OF MICHIGAN
2027 BUILDING AND SITE BONDS
(GENERAL OBLIGATION - UNLIMITED TAX)

ESTIMATED MILLAGE NEEDED TO RETIRE BONDED DEBT

Preliminary

Series 2027
 Amount: \$3,500,000
 TIC: 4.30%
 Dated Date: Aug 1, 27
 First Payment: May 1, 28 < 9 Months
 First Levy: Dec 1, 27
 Capitalized Int: \$0
 Debt/TV^[1]: 0.87%
 Bond Term: 17 yrs., 9 mo.
 1:5 Ratio: TRUE
 Average Life: 11.60
 Interest Factor: 0.50

Ballot Information	
Election Date	May 4, 2027
First Yr. Millage	0.55
Avg. Millage	0.53

Levy Cycle: December Only	
Millage Impact	
Projected	0.55
2024 Levy	0.00
Net Increase	0.55

Tax Year	Payment Year	Existing UT Debt \$0	Series 2027					Delinquency	Use of Funds on Hand \$0	Proposed and Existing UT Debt	Mills Needed				
			Principal Due May 1	Interest Rate	Interest Due May 1	Interest Due Nov 1	Total Debt Service				Capitalized Interest	Allowance 7.00%	Projected Tax Base ^[2]	Growth Rate	New Bond Avg. 0.53
2025	2026	\$0	\$0	4.300%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$363,907,159	6.27%	0.00
2026	2027	0	0	4.300%	0	0	0	0	0	0	0	0	383,922,052	5.50%	0.00
2027	2028	0	0	4.300%	112,875	75,250	188,125	0	15,446	17,088	220,659	401,198,545	4.50%	0.55	0.55
2028	2029	0	90,000	4.300%	75,250	73,315	238,565	0	0	(7,976)	230,589	419,252,479	4.50%	0.55	0.55
2029	2030	0	100,000	4.300%	73,315	71,165	244,480	0	0	(5,821)	238,659	433,926,316	3.50%	0.55	0.55
2030	2031	0	105,000	4.300%	71,165	68,908	245,073	0	0	1,940	247,013	449,113,737	3.50%	0.55	0.55
2031	2032	0	120,000	4.300%	68,908	66,328	255,235	0	0	423	255,658	464,832,718	3.50%	0.55	0.55
2032	2033	0	140,000	4.300%	66,328	63,318	269,645	0	0	(5,039)	264,606	481,101,863	3.50%	0.55	0.55
2033	2034	0	150,000	4.300%	63,318	60,093	273,410	0	0	(615)	272,795	497,940,428	3.50%	0.55	0.55
2034	2035	0	165,000	4.300%	60,093	56,545	281,638	0	0	0	281,638	515,368,343	3.50%	0.55	0.55
2035	2036	0	185,000	4.300%	56,545	52,568	294,113	0	0	0	294,113	533,406,235	3.50%	0.55	0.55
2036	2037	0	205,000	4.300%	52,568	48,160	305,728	0	0	0	305,728	552,075,453	3.50%	0.55	0.55
2037	2038	0	225,000	4.300%	48,160	43,323	316,483	0	0	0	316,483	571,398,094	3.50%	0.55	0.55
2038	2039	0	245,000	4.300%	43,323	38,055	326,378	0	0	0	326,378	591,397,027	3.50%	0.55	0.55
2039	2040	0	265,000	4.300%	38,055	32,358	335,413	0	0	0	335,413	612,095,923	3.50%	0.55	0.55
2040	2041	0	275,000	4.300%	32,358	26,445	333,803	0	0	0	333,803	633,519,281	3.50%	0.53	0.53
2041	2042	0	290,000	4.300%	26,445	20,210	336,655	0	0	0	336,655	655,692,455	3.50%	0.51	0.51
2042	2043	0	300,000	4.300%	20,210	13,760	333,970	0	0	0	333,970	678,641,691	3.50%	0.49	0.49
2043	2044	0	315,000	4.300%	13,760	6,988	335,748	0	0	0	335,748	702,394,151	3.50%	0.48	0.48
2044	2045	0	325,000	4.300%	6,988	0	331,988	0	0	0	331,988	726,977,946	3.50%	0.46	0.46
2045	2046	0	0	4.300%	0	0	0	0	0	0	0	752,422,174	3.50%	0.00	0.00
2046	2047	0	0	4.300%	0	0	0	0	0	0	0	778,756,950	3.50%	0.00	0.00
		\$0	\$3,500,000		\$929,660	\$816,785	\$5,246,445		\$0	\$15,446	\$0	\$5,261,891			

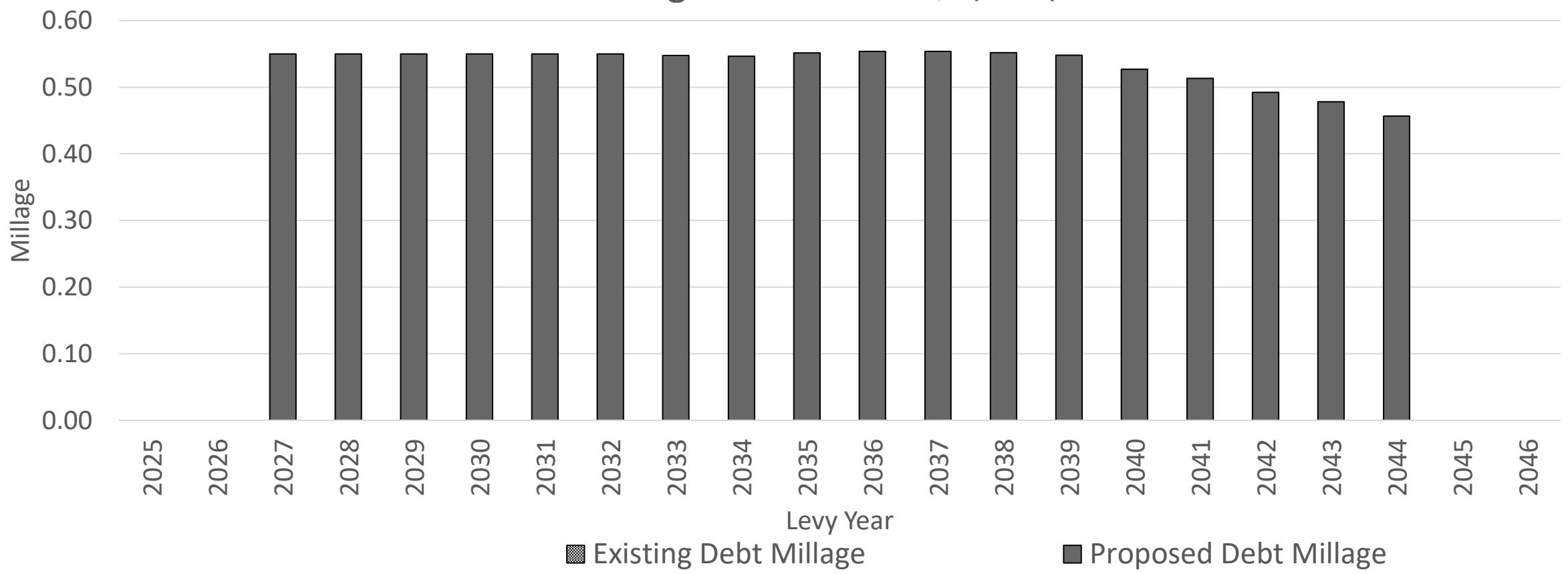
[1] Includes \$0 of Existing UT Debt and \$0 of Existing LTNQ Debt

[2] Includes \$5,534,327 of equivalent IFT valuations & less DDA/TIFA debt captures of \$0 for 2025.

RN

Henika District Library - Millage Analysis - Table_9a

0.55 millage increase for \$3,500,000



Table_7a-9a 2027

\$3,500,000

Preliminary

HENIKA DISTRICT LIBRARY
2027 BUILDING AND SITE BONDS

BOND SIZING SCHEDULE		
ESTIMATED BOND ISSUANCE COSTS		ESTIMATED OTHER COSTS
Bond Discount	1.000%	\$35,000
Bond Insurance		0
Bond Attorney Fee	Estimate	28,000
Financial Consultant Fee		20,425
Credit Rating		15,000
TOTAL BOND ISSUANCE COSTS		\$105,175
ESTIMATED OTHER COSTS		
Reimbursable Election Costs		\$16,012
Capitalized Interest		0
Other		0
TOTAL OTHER COSTS		\$16,012
BOND SIZING		
Official Statement Printing & Mailing		2,800
Notice of Sale Publication		1,800
Treasury Filing Fee(s)		700
Auditor's Consent Fee		500
Paying Agent Upfront Fee		500
Municipal Advisory Council Fee		450
TOTAL BOND ISSUANCE COSTS		\$105,175
AMOUNT OF BOND ISSUE		\$3,500,000

PROJECT FUND DRAWS AND EARNINGS SECTION

	Estimated Expenditures		Average Life = 0.49 years					
Date	Project Expenditures	Issuance & Other Costs	Totals	Month	Payout %	Project Fund Balance	Estimated Interest Rate	Projected Interest Earned
Aug 27						\$3,500,000		
Aug 27	\$200,000	\$121,187	\$321,187	1	9.09%	3,178,813	2.00%	\$5,304
Sep 27	500,000		500,000	2	23.24%	2,684,118	2.00%	4,479
Oct 27	500,000		500,000	3	37.38%	2,188,597	2.00%	3,652
Nov 27	50,000		50,000	4	38.80%	2,142,249	2.00%	3,575
Dec 27	50,000		50,000	5	40.21%	2,095,823	2.00%	3,497
Jan 28	50,000		50,000	6	41.63%	2,049,321	2.00%	3,420
Feb 28	50,000		50,000	7	43.04%	2,002,740	2.00%	3,342
Mar 28	50,000		50,000	8	44.46%	1,956,082	2.00%	3,264
Apr 28	500,000		500,000	9	58.60%	1,459,346	2.00%	2,435
May 28	731,500		731,500	10	79.30%	730,281	2.00%	1,219
Jun 28	731,500		731,500	11	100.00%	0	2.00%	0
Jul 28	0	0	0	12	100.00%	0	2.00%	0
	\$3,413,000	\$121,187	\$3,534,187					\$34,187
								RN

Table_10a 14 Year Term

HENIKA DISTRICT LIBRARY COUNTY OF ALLEGAN, STATE OF MICHIGAN 2027 BUILDING AND SITE BONDS (GENERAL OBLIGATION - UNLIMITED TAX)										Preliminary			Series 2027		
\$4,000,000										Ballot Information			Levy Cycle: December Only		
ESTIMATED MILLAGE NEEDED TO RETIRE BONDED DEBT										Election Date May 4, 2027			Millage Impact		
Capitalized Int: \$0										First Yr. Millage 0.78			Projected 0.78		
Interest Factor: 0.35										2024 Levy 0.00			Net Increase 0.78		
Tax Year	Payment Year	Existing UT Debt \$0	Series 2027										Mills Needed		
			Principal Due May 1	Interest Rate	Interest Due May 1	Interest Due Nov 1	Total Debt Service	Capitalized Interest	Delinquency Allowance 7.00%	Use of Funds on Hand \$0	Proposed and Existing UT Debt \$0	Projected Tax Base ^[2] \$0	Growth Rate	New Bond Avg. 0.76	Mills Needed All Debt
2025	2026	\$0	\$0	4.100%	\$0	\$0	\$0	\$0	\$0	\$0	\$363,907,159	6.27%		0.00	
2026	2027	0	0	4.100%	0	0	0	0	0	0	383,922,052	5.50%		0.00	
2027	2028	0	85,000	4.100%	123,000	80,258	288,258	0	21,905	2,772	312,935	401,198,545	4.50%	0.78	0.78
2028	2029	0	170,000	4.100%	80,258	76,773	327,030	0	0	(13)	327,017	419,252,479	4.50%	0.78	0.78
2029	2030	0	185,000	4.100%	76,773	72,980	334,753	0	0	3,710	338,463	433,926,316	3.50%	0.78	0.78
2030	2031	0	210,000	4.100%	72,980	68,675	351,655	0	0	(1,346)	350,309	449,113,737	3.50%	0.78	0.78
2031	2032	0	235,000	4.100%	68,675	63,858	367,533	0	0	(4,963)	362,570	464,832,718	3.50%	0.78	0.78
2032	2033	0	255,000	4.100%	63,858	58,630	377,488	0	0	(160)	377,328	481,101,863	3.50%	0.78	0.78
2033	2034	0	275,000	4.100%	58,630	52,993	386,623	0	0	0	386,623	497,940,428	3.50%	0.78	0.78
2034	2035	0	300,000	4.100%	52,993	46,843	399,835	0	0	0	399,835	515,368,343	3.50%	0.78	0.78
2035	2036	0	330,000	4.100%	46,843	40,078	416,920	0	0	0	416,920	533,406,235	3.50%	0.78	0.78
2036	2037	0	355,000	4.100%	40,078	32,800	427,878	0	0	0	427,878	552,075,453	3.50%	0.78	0.78
2037	2038	0	375,000	4.100%	32,800	25,113	432,913	0	0	0	432,913	571,398,094	3.50%	0.76	0.76
2038	2039	0	390,000	4.100%	25,113	17,118	432,230	0	0	0	432,230	591,397,027	3.50%	0.73	0.73
2039	2040	0	410,000	4.100%	17,118	8,713	435,830	0	0	0	435,830	612,095,923	3.50%	0.71	0.71
2040	2041	0	425,000	4.100%	8,713	0	433,713	0	0	0	433,713	633,519,281	3.50%	0.68	0.68
2041	2042	0	0	4.100%	0	0	0	0	0	0	0	655,692,455	3.50%		0.00
			\$0	\$4,000,000	\$767,828	\$644,828	\$5,412,655		\$0	\$21,905	\$0	\$5,434,560			

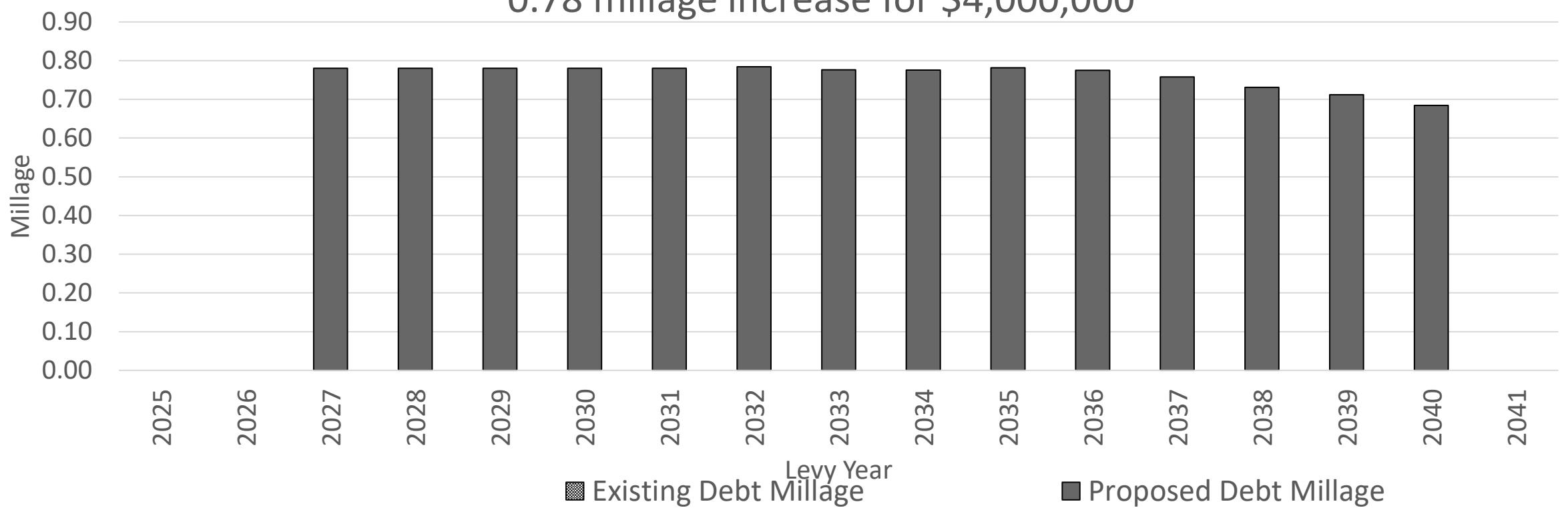
[1] Includes \$0 of Existing UT Debt and \$0 of Existing LTNQ Debt

[2] Includes \$5,534,327 of equivalent IFT valuations & less DDA/TIFA debt captures of \$0 for 2025.

RN

Henika District Library - Millage Analysis - Table_10a

0.78 millage increase for \$4,000,000



Table_11a 16 Year Term

\$4,000,000
HENIKA DISTRICT LIBRARY
COUNTY OF ALLEGAN, STATE OF MICHIGAN
2027 BUILDING AND SITE BONDS
(GENERAL OBLIGATION - UNLIMITED TAX)

ESTIMATED MILLAGE NEEDED TO RETIRE BONDED DEBT

Preliminary

Series 2027	
Amount:	\$4,000,000
TIC:	4.20%
Dated Date:	Aug 1, 27
First Payment:	May 1, 28 < 9 Months
First Levy:	Dec 1, 27
Capitalized Int:	\$0
Debt/TV ^[1] :	1.00%
Bond Term:	15 yrs., 9 mo.
1:5 Ratio:	TRUE
Average Life:	9.99
Interest Factor:	0.42

Ballot Information	
Election Date	May 4, 2027
First Yr. Millage	0.70
Avg. Millage	0.68

Levy Cycle: December Only	
Millage Impact	
Projected	0.70
2024 Levy	0.00
Net Increase	0.70

Tax Year	Payment Year	Existing UT Debt \$0	Series 2027					Capitalized Interest	Delinquency Allowance 7.00%	Use of Funds on Hand \$0	Proposed and Existing UT Debt \$0	Mills Needed			
			Principal Due May 1	Interest Rate	Interest Due May 1	Interest Due Nov 1	Total Debt Service					Projected Tax Base ^[2]	Growth Rate	New Bond Avg. 0.68	Mills Needed All Debt
2025	2026	\$0	\$0	4.20%	\$0	\$0	\$0	\$0	\$0	\$0	\$363,907,159	6.27%	0.00	0.00	
2026	2027	0	0	4.20%	0	0	0	0	0	0	383,922,052	5.50%	0.00	0.00	
2027	2028	0	50,000	4.20%	126,000	82,950	258,950	0	19,659	2,230	280,839	4.50%	0.70	0.70	
2028	2029	0	130,000	4.20%	82,950	80,220	293,170	0	0	307	293,477	4.50%	0.70	0.70	
2029	2030	0	145,000	4.20%	80,220	77,175	302,395	0	0	1,353	303,748	3.50%	0.70	0.70	
2030	2031	0	165,000	4.20%	77,175	73,710	315,885	0	0	(1,505)	314,380	449,113,737	3.50%	0.70	0.70
2031	2032	0	180,000	4.20%	73,710	69,930	323,640	0	0	1,743	325,383	464,832,718	3.50%	0.70	0.70
2032	2033	0	205,000	4.20%	69,930	65,625	340,555	0	0	(3,784)	336,771	481,101,863	3.50%	0.70	0.70
2033	2034	0	220,000	4.20%	65,625	61,005	346,630	0	0	(344)	346,286	497,940,428	3.50%	0.70	0.70
2034	2035	0	245,000	4.20%	61,005	55,860	361,865	0	0	0	361,865	515,368,343	3.50%	0.70	0.70
2035	2036	0	270,000	4.20%	55,860	50,190	376,050	0	0	0	376,050	533,406,235	3.50%	0.70	0.70
2036	2037	0	295,000	4.20%	50,190	43,995	389,185	0	0	0	389,185	552,075,453	3.50%	0.70	0.70
2037	2038	0	315,000	4.20%	43,995	37,380	396,375	0	0	0	396,375	571,398,094	3.50%	0.69	0.69
2038	2039	0	325,000	4.20%	37,380	30,555	392,935	0	0	0	392,935	591,397,027	3.50%	0.66	0.66
2039	2040	0	345,000	4.20%	30,555	23,310	398,865	0	0	0	398,865	612,095,923	3.50%	0.65	0.65
2040	2041	0	355,000	4.20%	23,310	15,855	394,165	0	0	0	394,165	633,519,281	3.50%	0.62	0.62
2041	2042	0	370,000	4.20%	15,855	8,085	393,940	0	0	0	393,940	655,692,455	3.50%	0.60	0.60
2042	2043	0	385,000	4.20%	8,085	0	393,085	0	0	0	393,085	678,641,691	3.50%	0.58	0.58
2043	2044	0	0	4.20%	0	0	0	0	0	0	0	702,394,151	3.50%	0.00	
		\$0	\$0	\$4,000,000	\$901,845	\$775,845	\$5,677,690	\$0	\$19,659	\$0	\$5,697,349				

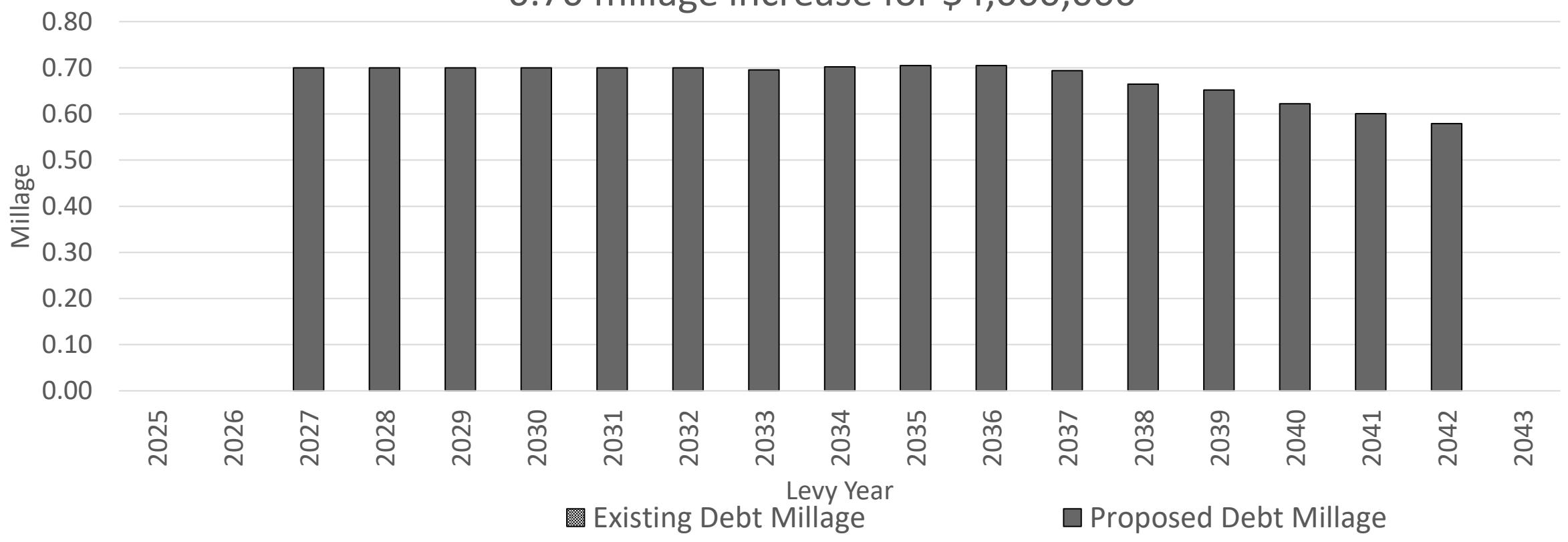
[1] Includes \$0 of Existing UT Debt and \$0 of Existing LTNQ Debt

[2] Includes \$5,534,327 of equivalent IFT valuations & less DDA/TIFA debt captures of \$0 for 2025.

RN

Henika District Library - Millage Analysis - Table_11a

0.70 millage increase for \$4,000,000



Table_12a 18 Year Term

\$4,000,000
HENIKA DISTRICT LIBRARY
COUNTY OF ALLEGAN, STATE OF MICHIGAN
2027 BUILDING AND SITE BONDS
(GENERAL OBLIGATION - UNLIMITED TAX)

ESTIMATED MILLAGE NEEDED TO RETIRE BONDED DEBT

Preliminary

Series 2027	
Amount:	\$4,000,000
TIC:	4.30%
Dated Date:	Aug 1, 27
First Payment:	May 1, 28 < 9 Months
First Levy:	Dec 1, 27
Capitalized Int:	\$0
Debt/TV ^[1] :	1.00%
Bond Term:	17 yrs., 9 mo.
1:5 Ratio:	TRUE
Average Life:	11.42
Interest Factor:	0.49

Ballot Information	
Election Date	May 4, 2027
First Yr. Millage	0.64
Avg. Millage	0.61

Levy Cycle: December Only	
Millage Impact	
Projected	0.64
2024 Levy	0.00
Net Increase	0.64

Tax Year	Payment Year	Existing UT Debt \$0	Series 2027					Capitalized Interest	Delinquency	Use of Funds on Hand \$0	Proposed and Existing UT Debt	Projected Tax Base ^[2]	Mills Needed		
			Principal Due May 1	Interest Rate	Interest Due May 1	Interest Due Nov 1	Total Debt Service						Growth Rate	New Bond Avg. 0.61	Mills Needed All Debt
2025	2026	\$0	\$0	4.300%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$363,907,159	6.27%	0.00	
2026	2027	0	0	4.300%	0	0	0	0	0	0	0	383,922,052	5.50%	0.00	
2027	2028	0	20,000	4.300%	129,000	85,570	234,570	0	17,974	4,223	256,767	401,198,545	4.50%	0.64	0.64
2028	2029	0	100,000	4.300%	85,570	83,420	268,990	0	0	(668)	268,322	419,252,479	4.50%	0.64	0.64
2029	2030	0	115,000	4.300%	83,420	80,948	279,368	0	0	(1,655)	277,713	433,926,316	3.50%	0.64	0.64
2030	2031	0	130,000	4.300%	80,948	78,153	289,100	0	0	(1,667)	287,433	449,113,737	3.50%	0.64	0.64
2031	2032	0	140,000	4.300%	78,153	75,143	293,295	0	0	4,198	297,493	464,832,718	3.50%	0.64	0.64
2032	2033	0	165,000	4.300%	75,143	71,595	311,738	0	0	(3,832)	307,905	481,101,863	3.50%	0.64	0.64
2033	2034	0	175,000	4.300%	71,595	67,833	314,428	0	0	4,254	318,682	497,940,428	3.50%	0.64	0.64
2034	2035	0	200,000	4.300%	67,833	63,533	331,365	0	0	(1,529)	329,836	515,368,343	3.50%	0.64	0.64
2035	2036	0	225,000	4.300%	63,533	58,695	347,228	0	0	(3,324)	343,904	533,406,235	3.50%	0.64	0.64
2036	2037	0	240,000	4.300%	58,695	53,535	352,230	0	0	0	352,230	552,075,453	3.50%	0.64	0.64
2037	2038	0	265,000	4.300%	53,535	47,838	366,373	0	0	0	366,373	571,398,094	3.50%	0.64	0.64
2038	2039	0	280,000	4.300%	47,838	41,818	369,655	0	0	0	369,655	591,397,027	3.50%	0.63	0.63
2039	2040	0	290,000	4.300%	41,818	35,583	367,400	0	0	0	367,400	612,095,923	3.50%	0.60	0.60
2040	2041	0	305,000	4.300%	35,583	29,025	369,608	0	0	0	369,608	633,519,281	3.50%	0.58	0.58
2041	2042	0	315,000	4.300%	29,025	22,253	366,278	0	0	0	366,278	655,692,455	3.50%	0.56	0.56
2042	2043	0	330,000	4.300%	22,253	15,158	367,410	0	0	0	367,410	678,641,691	3.50%	0.54	0.54
2043	2044	0	345,000	4.300%	15,158	7,740	367,898	0	0	0	367,898	702,394,151	3.50%	0.52	0.52
2044	2045	0	360,000	4.300%	7,740	0	367,740	0	0	0	367,740	726,977,946	3.50%	0.51	0.51
2045	2046	0	0	4.300%	0	0	0	0	0	0	0	752,422,174	3.50%	0.00	
2046	2047	0	0	4.300%	0	0	0	0	0	0	0	778,756,950	3.50%	0.00	
		\$0	\$4,000,000		\$1,046,835	\$917,835	\$5,964,670		\$0	\$17,974	\$0	\$5,982,644			

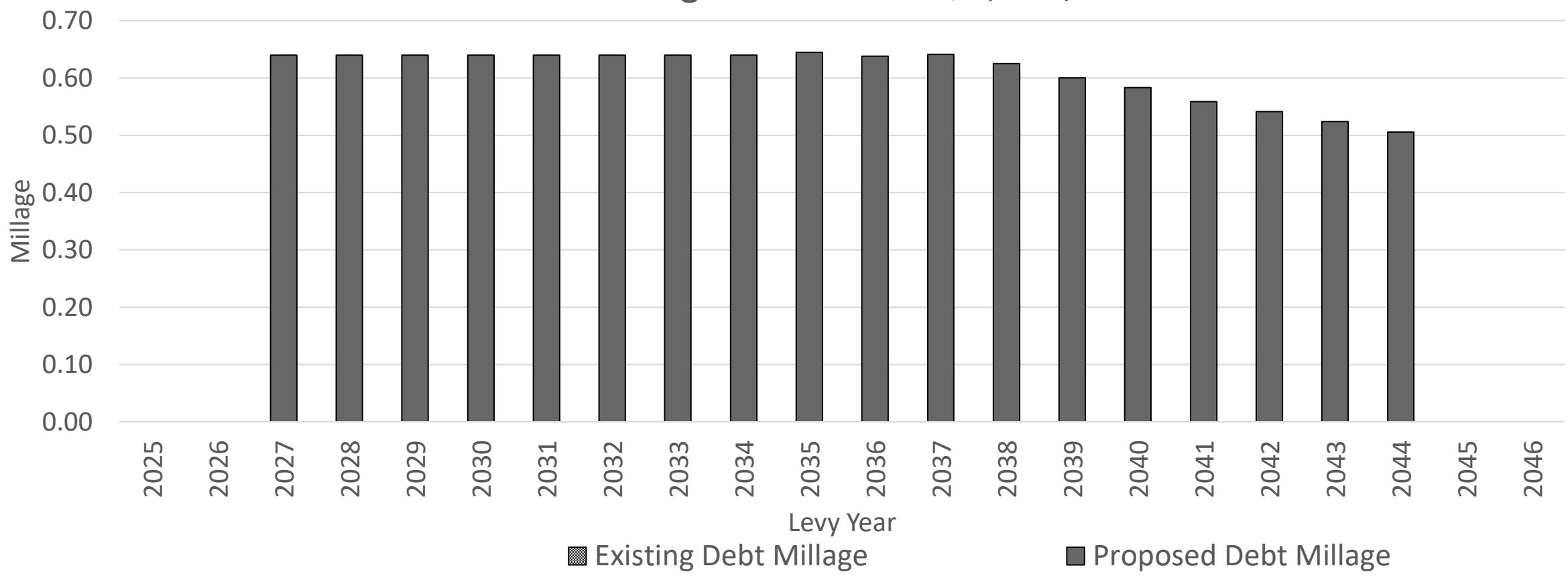
[1] Includes \$0 of Existing UT Debt and \$0 of Existing LTNQ Debt

[2] Includes \$5,534,327 of equivalent IFT valuations & less DDA/TIFA debt captures of \$0 for 2025.

RN

Henika District Library - Millage Analysis - Table_12a

0.64 millage increase for \$4,000,000



Table_10a-12a 2027

\$4,000,000

Preliminary

HENIKA DISTRICT LIBRARY
2027 BUILDING AND SITE BONDS

BOND SIZING SCHEDULE		
ESTIMATED BOND ISSUANCE COSTS		ESTIMATED OTHER COSTS
Bond Discount	1.000%	\$40,000
Bond Insurance		0
Bond Attorney Fee	Estimate	30,000
Financial Consultant Fee		22,200
Credit Rating		15,000
TOTAL BOND ISSUANCE COSTS		\$114,050
ESTIMATED OTHER COSTS		
Reimbursable Election Costs		\$16,012
Capitalized Interest		0
Other		0
TOTAL OTHER COSTS		\$16,012
BOND SIZING		
Official Statement Printing & Mailing		2,800
Notice of Sale Publication		1,800
Treasury Filing Fee(s)		800
Auditor's Consent Fee		500
Paying Agent Upfront Fee		500
Municipal Advisory Council Fee		450
TOTAL BOND ISSUANCE COSTS		\$114,050
AMOUNT OF BOND ISSUE		\$4,000,000

PROJECT FUND DRAWS AND EARNINGS SECTION

	Estimated Expenditures		Average Life = 0.53 years					
Date	Project Expenditures	Issuance & Other Costs	Totals	Month	Payout %	Project Fund Balance	Estimated Interest Rate	Projected Interest Earned
Aug 27						\$4,000,000		
Aug 27	\$200,000	\$130,062	\$330,062	1	8.17%	3,669,938	2.00%	\$6,129
Sep 27	500,000		500,000	2	20.54%	3,176,067	2.00%	5,304
Oct 27	500,000		500,000	3	32.91%	2,681,371	2.00%	4,478
Nov 27	50,000		50,000	4	34.14%	2,635,849	2.00%	4,402
Dec 27	50,000		50,000	5	35.38%	2,590,251	2.00%	4,326
Jan 28	50,000		50,000	6	36.62%	2,544,577	2.00%	4,249
Feb 28	50,000		50,000	7	37.85%	2,498,826	2.00%	4,173
Mar 28	50,000		50,000	8	39.09%	2,453,000	2.00%	4,097
Apr 28	500,000		500,000	9	51.46%	1,957,096	2.00%	3,268
May 28	981,000		981,000	10	75.73%	979,364	2.00%	1,636
Jun 28	981,000		981,000	11	100.00%	0	2.00%	0
Jul 28	0	0	0	12	100.00%	0	2.00%	0
	\$3,912,000	\$130,062	\$4,042,062					\$42,062
								RN



Henika District Library
Project Budget

Construction and Renovation

Architectural Design	4,000,000	<i>new HVAC system included in this quote</i>
Other Pre-Development		
Property Purchase		
Construction & Renovation Total		
LEED Certification		
Paving and External	8,000	<i>have that already budgeted</i>
Construction & Renovation Total	\$4,008,000	

Equipment

Furniture, Fixtures, & Equipment	500,000	
Technology Infrastructure		<i>have tech in storage that they will be able to use</i>
Equipment Total	\$500,000	

Other

Program/Operational Ramp up		<i>utilities \$12k/year now (add in est. increased cost)</i>
Seed funds for Endowment		
Campaign Costs*	100,000	<i>Consultants, marketing, fundraising, printing, etc.</i>
Contingency		
Other Total	\$100,000	
Project Total	\$4,608,000	

**Overall, campaign expenses should not exceed about 5% of the total campaign goal*

Henika District Library

Fundraising Infrastructure Assessment

December 2025

Kennari conducted a fundraising infrastructure assessment to determine Henika District Library's readiness to launch and complete a successful campaign. Assessment meetings, which included staff and board members, were held to determine strengths and areas of opportunities for HDL as they embark on a capital campaign. Additional recommendations for strategies that could also strengthen the organization's ability to grow annual giving and operational support are also included. The following recommendations are designed to help Henika District Library take next steps to strengthen capital campaign efforts.

Capital Campaigns can be a catalyst for exponential growth and mission advancement for nonprofits. However, when organizations don't go through the appropriate planning steps in preparation for the campaign, it can take much longer to meet goals. An extended campaign can then lead to volunteer, staff, and donor fatigue, and it can take a lot more resources from the organization in the process. In contrast, taking time and resources to follow appropriate planning activities from the beginning usually means realistic goals and timelines are set, and donor resources are leveraged with the highest possible return on investment.

The following checklist represents the breadth of planning that is essential for successful campaigns. Depending on their desired campaign's size and scope, organizations might not meet all these criteria, but these questions can help identify the tasks necessary to ensure a successful campaign.

1. *Clearly Defined Project*

- a. Henika District Library (HDL) has a master plan for the project, however, the project goal is contingent on a passing millage. It will be important for HDL to determine which project elements could be completed with private support and which elements would need to wait until a millage passes.
- b. Henika District Library also needs to consider their long-term plan should the millage not pass at the desired time. The decision of whether to try again, or change the scope of the project, or both, lies with the board and/or planning committee decision. It is good practice to determine alternate pathways before the vote even takes place.

2. *Budgets*

- a. Henika Library has an estimated budget for the project, however, it does not include all components of developing and implementing a campaign. Campaign budgets should not only include cost of brick and mortar but other needs such as campaign expenses (marketing, consultants, printing, fundraising, etc.), technology

upgrades, and furniture, fixtures, and equipment. Kennari recommends revisiting the budget to add these components as well as gathering new estimates if estimates are over 12 months old. **A sample campaign budget was provided to library staff and is included in the attachment section of this report.**

- b. To understand the long-term impact of the project on the organization, HDL should develop a pro forma identifying how the project will impact the organization both in revenue and expenses after the project is complete. This includes costs of electricity, maintenance, supplies, etc. which will increase due to the expanded size of the library as well as the use the library will see due to increased programming opportunities.

3. Leadership

- a. It is positive that both the Library Director and the Board agree about the total scope of improvements needed to enhance the library.
- b. The library is respected in the community and there are other community members that desire to be a part of the library.

4. Prospective Donors

- a. Henika District Library has a very small pool of regular donors. While there are likely many in the community that will support the campaign, starting with a small base of donors means that it will likely take longer to reach the goal of \$1.5M in private funds. Recruiting high level volunteers who can help extend the donor base will play an important role in meeting the goal.
- b. Once volunteers have been recruited to help with this work, the next steps are to determine major donor prospects from the current donor base as well as identify other community donors who have major gift potential.
- c. Create a gift chart to begin mapping out where the more significant major gifts will come from.
- d. While HDL receives millage support each year that helps fulfill their operating needs, there is still opportunity to grow the donor base by gathering contact information from every person who engages with the library in some way. This will be easier once the library is able to grow programming efforts and host more community activities. Having a stronger donor base will help the library with any long-term upgrades or maintenance needs that extend beyond what millage support provides.
- e. HDL has a list of patrons but it is held by the Lakeland ILS. There is likely donor potential among the patron list. Part of the campaign strategy will be a targeted approach to the patron list to identify those who have gift capacity. More details about this are in the records and research section.
- f. Utilize grant prospecting tools to identify potential grant resources for capital needs. Kennari Consulting will help build this list.

5. Volunteers

- a. HDL already has a planning committee comprised of only board members. The role of this committee has largely been developing the project and they should continue this work.

