

AGENDA

Henika District Library
Finance Committee Meeting
August 30th, 2023 at 1:45pm

I. Call to Order

Members Present:
Members Absent:
Staff Present:
Guests:

II. Approval of Agenda

III. Approval of Previous Meeting Minutes

IV. Unfinished Business

V. New Business

- A. Explore Funding Options for Building Project
 - a. Grants
 - b. USDA Loan
 - c. Millage
 - d. Bank Loan
 - e. Fundraising Campaign (Large Donors)

VI. Around the table

VII. Adjournment

Henika District Library
Meeting Minutes

Henika District Library
Finance Committee Meeting
July 24, 2023 at 4:00 pm

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

Members Absent: None

Staff Present: Cierra Bakovka – Director

Guests: None

- I. Call to Order: Meeting called to order at 4:07 pm by Marsh.
- II. Approval of Agenda motioned by Kuhn and seconded by Marsh. All yes, motion passed.
- III. Approval of June 15, 2023 Finance Committee Meeting Minutes motioned by Augustin and seconded by Kuhn. All yes, motion passed.
- IV. Unfinished Business - no unfinished business.
- V. New Business
 - a. Draft 2024 Budget
 - i. Bakovka presented the draft budget for fiscal year 2024 and provided a walkthrough of each budget line item. Discussion ensued.
 - ii. The millage rate will remain the same for 2024, but the City and Township contributions are budgeted to increase based on the numbers available from the Allegan County equalization reports. Interest income is budgeted to increase based on higher interest rates from the bank. A line item has been added for tracking non-resident fees rather than continuing to include these fees in the fines line item, and the grants line item will remain on the budget. Employee benefits are budgeted to be higher than in previous years due to costs associated with an employee choosing family coverage. The committee noted the decrease in budget for memberships and training, but after discussion of potential options to increase this line item the committee agreed it would be best to keep it as presented and reassess as needed in 2024.
 - iii. Approval of the Henika District Library Budget FY 2024 Draft as the committee's recommendation to the board motioned by Marsh

and seconded by Augustin. A roll call vote was conducted. All yes, motion passed.

1. Musgrave YES
2. Kuhn YES
3. Marsh YES

VI. Around the Table

- a. Musgrave appreciates the discussion and recommendations.
- b. Bakovka reminded the group she will be on vacation next week, returning the day of the board meeting. Bakovka appreciates the committee's support.
- c. Augustin emphasized the importance of looking at and discussing the draft budget, as it is the main job of the Finance Committee. Augustin reminded the group that the annual budget hearing will be at 6pm on August 8 and inquired about whether another committee meeting needs to be scheduled; Bakovka does not think it is necessary to schedule the next committee meeting yet.
- d. Kuhn thanked the group for the thorough discussion and gave kudos to Bakovka on her growth and for preparing a well thought out budget.
- e. Marsh would like to just "let it flow" and use the twelve opportunities we have each year to assess and adjust numbers as needed.

VII. Adjournment of the meeting motioned by Marsh and seconded by Kuhn. Meeting adjourned at 5:11 pm.

OneRD Guarantee Loan Initiative: Community Facilities Guaranteed Loan

What does this program do?

This program provides loan guarantees to eligible lenders to develop essential community facilities in rural areas. An essential community facility is defined as a public improvement, operated on a non-profit basis, needed for the orderly development of a rural community where the rural community is a city or town, or its equivalent county or multi-county area. The term "facility" refers to both the physical structure financed, and the resulting service provided to rural residents or rural businesses.

Who may apply for this program?

Lenders who have the legal authority, financial strength and sufficient experience to operate a successful lending program. This includes lenders that are subject to supervision and credit examination by the applicable agency of the United States or a State, including:

- Federal and State chartered banks
- Farm Credit Banks with direct lending authority
- Bank for Cooperatives
- Savings and Loan Associations
- Savings banks
- Mortgage companies that are part of a bank-holding company
- The National Rural Utilities Cooperative Finance Corporation
- Credit unions
- State Bond Banks or State Bond Pools

Other non-regulated lending institutions may also be approved by the Agency under the criteria of the OneRD regulation.

Who may qualify for these loan guarantees?

Eligible borrowers are:

- Public bodies
- Indian Tribes on Federal and State reservations
- Federally-recognized Tribes
- Non-profit organizations

Additional entities may be eligible for other types of loan guarantees under the OneRD Guarantee Loan Initiative.

What is an eligible area?

- Rural areas with populations of 50,000 residents or less, which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H)*, based on the latest decennial census of the United States and not in the urbanized area contiguous and adjacent to that city or town.
- The lender may be located anywhere in the United States.
- Check an eligible rural area. *We qualify!*

**Exclusion of incarcerated populations. Populations of individuals incarcerated on a long-term or regional basis shall not be included in determining whether an area is "rural" or a "rural area".*

How may funds be used?

Each year the Agency will reserve funds for projects located in rural areas with a population of not more than 20,000 inhabitants based on the following reservation of funds schedule:

1. 100% of the first \$200,000,000 made available
2. 50% of the next \$200,000,000 made available
3. 25% of all amounts exceeding \$400,000,000 made available

Funds can be used to construct, enlarge, extend or otherwise improve essential community facilities. Guarantee funds can also be used for refinancing the debt of an essential community facility. Examples of essential community facilities include:

- Health care facilities and services, including but not limited to hospitals
- Fire, rescue, and public safety facilities and services
- Community, public, social, educational, or cultural facilities or services
- Transportation facilities such as streets, bridges, roads, ports, and airports
- Certain utility projects when not eligible for Rural Utilities Service financing, gas distribution systems, recycling and transfer centers or stations
- Telecommunications end-user equipment when related to public safety, medical, or educational telecommunication links when not eligible for Rural Utility Services financing
- Water infrastructure facilities such as levees, dams, reservoirs, inland waterways, canals, and irrigation systems
- Purchase and installation of renewable energy systems for use by an essential community facility (conditions apply)
- Land acquisition and necessary site preparation including access ways and utility extensions to and throughout an industrial park site
- Community parks, community activity centers, and similar types of facilities

For a complete list see Code of Federal Regulations 7 CFR 5001.103(a) and 5001.121(a).

OneRD Guarantee Loan Initiative

Background

USDA cut red tape to increase private investment in rural communities across the country by making it easier for lenders to access four flagship Rural Development loan programs. USDA implemented a standard application process for the:

- Water and Waste Disposal Loan Guarantees Program;
- Community Facilities Guaranteed Loan Program;
- Business and Industry Guaranteed Loan Program; and
- Rural Energy for America Program Loan Guarantees.

These innovative improvements help to create a faster and better customer experience and increase private investment in rural businesses and economic development projects.

The improvements are part of a series of regulatory reforms known collectively as the **OneRD Guarantee Loan Initiative**. The changes took effect on **October 1, 2020**.



Initiative Benefits

These reforms have helped USDA to:

- Launch a common application and consistent forms for lenders to use across the four loan guarantee programs;
- Issue loan note guarantees to lenders within 48 hours after they provide documentation to prove the requirements of the conditional commitment have been met;
- Provide guarantee percentage and fee requirements for each program to lenders through a single annual notice at the beginning of each fiscal year;
- Allow lenders to obtain approval for a loan guarantee prior to the beginning of construction projects. A one-time fee and other requirements may apply; and
- Provide automatic approval to lenders in good standing who are supervised or created by state or federal regulatory agencies to participate in all four programs. This expands the base of eligible lenders for the four guaranteed loan programs. Non-regulated lenders may seek approval to participate through a single certification process that will be valid for five years.

For additional information, visit www.rd.usda.gov/onerdguarantee or contact OneRDGuarantee@usda.gov.

NOTE: Because citations and other information may be subject to change, please contact your local office for assistance. You will find additional forms, resources, and program information at rd.usda.gov. USDA is an equal opportunity provider, employer, and lender.

What may loan guarantee funds NOT be used for?

- Lines of credit.
- Owner-occupied and rental housing.
- Golf courses or golf course infrastructure.
- Racetracks or gambling facilities.
- Facilities used for inherently religious activities.
- Projects that create, directly or indirectly a conflict of interest.
- Inherently commercial enterprises.

For a complete list see Code of Federal Regulations 7 CFR 5001.115, 5001.116, and 5001.122.

How do we get started?

- Applications are accepted from lenders through USDA local offices year-round.
- Interested borrowers should inquire about the program with their lender.
- Lenders interested in participating in this program should contact the USDA Rural Development Community Programs Director in the state where the project is located.

Who can answer questions?

Contact the local Rural Development office that serves your area.

What governs this program?

Code of Federal Regulations,
7 CFR 5001.

NOTE: Because citations and other information may be subject to change please always consult the program Instructions listed in the section above titled “*What Law Governs this Program?*” You may also contact your local office for assistance. *USDA is an equal opportunity provider, employer, and lender.*