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# The Library Capital Projects Fund

**March 6, 2006**

Sponsored by: Umbaugh, INCOLSA, and Indiana State Library



It's all about experience.

# Uses of a Library Capital Projects Plan

- Construction, repair, replacement or remodeling of library facilities.
- Acquisition of property for library use.
- Development of land or property for library use.
- Repair, replacement or site acquisition that is needed because of an emergency.
- Purchase, lease or repair of equipment to be used by the Library.
- Purchase, lease, upgrading, maintenance or repair of computer hardware or software.  
(Includes paying for computer service personnel.)



# Advantages of Establishing a Capital Projects Plan

- Allows accumulation of funds for future projects.
- Funded by property tax outside the maximum levy limitations - additional property tax \$'s can be raised above the levy freeze.
  - Max rate of \$.0133 outside the levy limits.
  - Max rate of \$.0167 is allowable, but \$.0034 is within the levy limits.
- Helps to maintain a stable financial program.
  - By spacing projects over a # of years rather than trying to do several projects all at once, you may avoid abrupt changes in tax rates and bond issues.



# Advantages of Establishing a Capital Projects Plan

- Public meeting(s) about the Capital Plan keep taxpayers informed.
  - Encourages public involvement which may result in a willingness to support the project and debt that may be necessary to fund the project.
- Increases opportunities for receiving grants and loans.
  - Most grant and loan programs require a formal capital plan. Therefore, if you already have one in place you'll be better prepared to meet grant or loan application deadlines.
  - Many grants require matching funds. Planning ahead may allow for accumulation of necessary matching funds.



# How is a Capital Plan Developed?

- Take an inventory of existing facilities and equipment and determine the Library's needs and necessary improvements.
- Project future demand and identify future capital needs.
- Prioritize projects and determine funding sources.
- Assess library's financial capacity.
- Prepare a formal capital projects plan and invite public comment and involvement.
- Adopt a formal plan and review and update the plan annually.



# Adopting a LCPF

- The library board must, after January 1 and before May 15 of the immediately preceding year,
  - (a) Hold a Public Hearing
  - (b) Pass a Resolution to Adopt a plan
  - (c) Submit the plan for approval or rejection to the proper fiscal body



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# The Public Hearing

- Notice to taxpayers must be published one (1) time at least ten (10) days prior to the public hearing.
- Notice must be published in two (2) newspapers if available.
- Library Board passes a resolution adopting the plan at the public hearing.



# Submission to Fiscal Body

- Within ten (10) days after the Library Board adopts the capital projects plan, the board shall submit a certified copy of the plan to the appropriate fiscal body.
- The plan must be submitted to the appropriate fiscal body not later than ten (10) days after adoption or May 14, whichever is sooner.
- Note that May 14th is the absolutely last day to submit the plan to the fiscal body.



# Fiscal Body Action

The appropriate fiscal body shall:

- Advertise a notice of a public hearing one (1) time at least ten (10) days prior to the date of the hearing. Notice should contain the date, time & location of the hearing.
- Hold a public hearing within thirty (30) days after receipt of the plan from the Library.
- Either approve or reject the plan by resolution on or before July 31 of the year that the plan is received.



# Fiscal Body Action

- Failure to act before August 1 is considered a denial.
- It is strongly recommended that the library take the necessary steps to insure that the fiscal body takes the required actions within the specified time frames. The Library may offer to publish and pay for the fiscal body's advertisement of the public hearing.



# How is the Fiscal Body Determined?

If the Library District is entirely within the boundaries of:

- **a municipality** (meaning the district does not extend beyond the corporate boundaries) - the appropriate fiscal body is the fiscal body of the city or town.
- **a township** (meaning the district may include a municipality but is not outside of the township boundary.) - the appropriate fiscal body is the Township Board.



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# Fiscal Body

- If the Library District is not covered by the previous, meaning that the Library District boundaries extend beyond a single township, the appropriate fiscal body is the County Council of each county in which the Library District is located.



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# Submission to DLGF

- After the Library Board passes a resolution and the appropriate fiscal body approves the plan, the Library Board will submit the resolutions, plan and required documentation to the DLGF.
- The deadline to submit the documentation to the DLGF is no later than **September 20**.



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# Required Documents

**The Library Board must submit the following documents to the DLGF by September 20:**

- ❑ LCPF Plan
- ❑ Library Board's Adopting Resolution
- ❑ Certificate of Submission to Fiscal Body
- ❑ Fiscal Body's Resolution Approving the Plan
- ❑ Proofs of Publication of the Library Board's Notice of Public Hearing
- ❑ Proofs of Publication of the Fiscal Body's Notice of Public Hearing



# DLGF Duties

1. Ensure that plan was correctly advertised.
2. Ensure that the plan was properly adopted by the Library Board and approved by the appropriate Fiscal Body in the manner provided by law.
3. Ensure that the plan conforms to the prescribed format.
4. If the plan is correctly submitted, the DLGF will prepare a Notice of Adoption to be published by the Library. The notice will start a 10-day remonstrance period allowing ten (10) or more affected taxpayers to object to the plan by filing a petition with the Co. Auditor within ten (10) days after publication.

# Notice of Adoption

- Prepared by the DLGF.
- Library Board must advertise one (1) time in two (2) newspapers if available.
- Ten (10) or more taxpayers may file an objecting petition not later than ten (10) days after publication.
- If objecting petition is filed, DLGF will fix a date for a local hearing.
- If no objections, Library will obtain a Certificate of No Remonstrance from the Co. Auditor.



# Final Submission to DLGF

If there are no taxpayer objections to the plan, the Library must within 10 days following the objection period submit the following to the DLGF:

- ❑ Proofs of Publication of the Notice of Adoption
- ❑ Co. Auditor's Certificate of No Remonstrance.

*Upon receipt, the DLGF will issue an order approving, modifying, or denying the plan.*



# Budget Approval

- In addition to annually adopting a LCPF Plan, the Plan must be incorporated into the ensuing year's Library Budget.
- All the appropriate budget forms must be completed for the LCPF (just like the Operating Fund).
- Include the LCPF in the budget documents even if you do not yet have final approval of the Plan from the DLGF.



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# Review and Update the Plan Annually

- Each year the plan needs to be extended by one year so that it always encompasses at least a 3 year period.
- Revisions may be required to reflect the Library's most recent estimation of capital needs.



# Emergencies

- The LCPF may be amended for an emergency as defined by IC 36-12-12-1 :
  - Repairs or replacement of buildings or equipment damaged by an unforeseeable circumstance such as a fire, flood, windstorm, or mechanical failure.
  - Site acquisition – the unforeseeable availability of real property for purchase.
- The Library Board must apply to DLGF for a determination that an emergency exists.



# Emergencies

- The Library Board must pass a resolution to amend the plan at a regular public meeting.
- The resolution must be forwarded to the DLGF.

*Note: An appropriation (budget) for “Emergency Allocation” may be used without special consideration from the DLGF provided it was approved in the original plan.*



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# SAMPLE PLAN



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# Contact Information

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