

To: Cape Elizabeth Town Council

From: Michael K. McGovern



Re: Thomas Memorial Library

Date: January 25, 2012

At your February 6, 2012 workshop, Robert Demont of Demont Associated will present his firm's report regarding potential support for a library fundraising campaign. You will also have available recommendations from the Trustees of the Thomas Memorial Library and from the independent Thomas Memorial Library Foundation.

The Thomas Memorial Library Board of Trustees unanimously accepted a motion to recommend to the Cape Elizabeth Town Council that they accept the findings and recommendations of the Demont Feasibility/Planning Study, and enter into negotiations with the Thomas Memorial Library Foundation on a mutually acceptable funding strategy to implement a Capital Campaign in the timeframe suggested by the report.

The TML Foundation Board recommendation will be forwarded separately upon its receipt.

Attached is an excerpt from the Demont Associates study with the recommendations the firm made. I have also attached information on our current debt service requirements and a set of recommendations that were crafted based on the Demont recommendations and findings.

Chairman Lennon would like to be sure that the town council has a full discussion on the library project. Every decision that is made that moves the project along commits the town to further volunteer, staff and consultant time. As each milestone passes, the decision making potential is narrowed on the broad outline of the project. Decisions on what maintenance to do on the current facility are informed by the status of the new project.

Thank you again to all of the volunteers who have assisted on the project and to those who have provided solid input to the Demont study.

V. Recommendations

Campaign Planning

1. Thomas Memorial Library should plan to raise a minimum of between \$1,750,000 to \$3,000,000, IF it mounts a public awareness effort and creates buy-in for the proposed cultural center vision from all major community constituencies in advance of any public referendum for public support.
2. A public referendum to bond any portion of the new library facility should be scheduled for June 2013, after a minimum of two-thirds of what can be raised in private support is secured through written, conditional pledges, and after a concentrated public awareness effort can be executed in 2012.
3. The proposed capital project budget should be predicated on raising a minimum of \$1,750,000 and a maximum of \$3,000,000 in private support over a five-year pledge period (2012-2017). An operating budget for programs and staff in the new Center also should be developed and presented in the context of this vision and plan with an equal emphasis on programs, not just space.
4. Public awareness efforts should emphasize the low impact of the project on the taxes of the average household in Cape Elizabeth because of other debt that is being retired.

Building the Case for Support of the Cultural Center

It is recommended that the Foundation Board, Trustees, and other volunteer and staff leaders:

5. Finalize a cultural center plan, which optimizes functionality and accessibility of space and resources, adaptability for current and emerging technology, and emphasizes programming and resources for youth. Capital investment in archival space should be reconsidered and other add-ons, such as the café, should be more clearly described and/or be funded separately from the core plan for a new facility.

6. Build on the appealing vision of a cultural center for Cape Elizabeth, of which the traditional Thomas Memorial Library is an integral component.
7. Place Thomas Memorial Library in context by:
 - a. Demonstrating effective renovation and/or expansion models in communities with similar size and demographics as Cape Elizabeth.
 - b. Answering questions about library trends—before and after renovation and library trends specific to Cape Elizabeth.
 - c. Emphasizing trends for utilization of library programs and resources among various segments of the population.
 - d. Citing national trends for library usage, and particularly, integration of technology into library sciences.
 - e. Demonstrating the clear difference between school and town library functions and resources.
8. Clearly show costs for renovation by each aspect of the plan, and differences in space/resources for each element—current vs. envisioned.
9. Demonstrate a clear investigation into usages of various archival and community spaces, particularly gathering space at the community center, public safety building, town hall, and schools. Community members are eager to know how heavily scheduled the various community gathering spaces are.
10. Continue to seek input from current and potential users (especially young adults) before finalizing the building's design.

Identifying, Engaging and Soliciting Prospective Donors

11. Proactively promote existing and envisioned library programs for adults and other age groups through all possible means, including regular and frequent email communications, postings to the town's website, and short articles for the community calendars in the local newspapers.
12. Continue to build relationships with current donors to the Library's Foundation. Continue to recognize and thank them regularly, engage them, deputize them, and track their involvement with the organization. Who is attending the donor receptions? Who has come to library programs or information sessions?
13. Seek parents of pre-school children and elementary school children or young adults to become advocates for the needs of Thomas Memorial Library.
14. Conduct a series of awareness tours and sessions, led by members of the Foundation Board or Trustees who are knowledgeable and passionate about the needs of the current library facility and the vision for its future. These awareness events should be varied to suit attendees, personalized as much as possible, and intimate for optimum information-sharing and engagement.
15. Conduct focus groups and/or targeted information sessions in a spirit of collaboration with all stakeholders, including faculty, staff, students and volunteers in the town's public schools.
16. Identify, engage, and solicit a transformational gift to both engage and challenge private supporters in advance of a public referendum.
17. Create and authorize naming opportunities in the new facility and on its grounds, which appeal to leadership prospects and the entire community at a variety of giving levels. Smaller opportunities (to be determined by campaign leadership and approved by Trustees) should not be announced until the public phase of the campaign.

Campaign Organization and Leadership

18. Conduct a volunteer-driven campaign for Thomas Memorial Library, organized inside-out (Board solicitations completed before any others) and top-down (leadership gifts secured before widespread appeals are made to the community). A campaign will be most successful if it is driven by the Foundation Board and Library Trustees, including strong volunteer representation from parents of children representing ages Pre-K through Grade 12.
19. Organize a campaign into the following major divisions, requiring a certain number of volunteers for each:
 - a. Board/Advance Gifts Division: (Up to 5 volunteers)
 - b. Leadership Gifts Division of \$25,000+ Prospects (8-12 volunteers)
 - c. Major Gifts Division of \$5,000+ Prospects (20 to 24 volunteers)
 - d. Community Gifts of up to \$5,000 (25+ volunteers)
20. Build the Foundation Board of Directors by enlisting those who have:
 - a. A strong belief in the library's mission;
 - b. Experience with not-for-profit governance, preferably in communications; and
 - c. The ability to give and get five-or-six figure contributions in a capital campaign.

Campaign Timetable

21. The following general timetable is recommended for a campaign for Thomas Memorial Library:

January through May, 2012: Intensive campaign planning, project refinement, awareness efforts, Board/volunteer training and early Board solicitations.

June through September, 2012: Quiet phase and awareness continues, Board and Leadership Gift campaigns underway.

October through December, 2012: Leadership Gift Campaign ongoing; assess progress by year-end. Emphasize additional awareness and focus on library programs.

January through March, 2013: Major Gifts Campaign organized; assess campaign progress and prepare for referendum in June, 2013.

April through June, 2013: Intensive public awareness. Leadership and Major Gifts campaign ongoing. Possible referendum in June.

July through December, 2013: Community Campaign phase. Celebrate success! Groundbreaking TBD.

Staffing

22. The Library Director and Children's Librarian should prepare to allocate up to 30% of their combined professional time to awareness, information, and education over the course of the campaign planning and implementation period.
23. Fund-raising management and administrative support for the campaign should be retained throughout the campaign.
24. Communications services should be sought for the creation and production of professional campaign and referendum materials in 2012.

Key Strategies

25. Approval of this Planning Study and associated recommendations by the Foundation Board of Directors assumes that the Foundation Board and Thomas Memorial Library Trustees to the extent permitted by existing policies:
 - a. Agree to be strong advocates of the capital vision, plan and campaign in their respective circles of influence;

- b. Agree to be active participants in giving and securing eventual campaign gifts to the very best of their abilities; and
 - c. Commit to serving on planning committees, as appropriate, to design and implement a successful campaign effort.
26. Now public fundraising goal should be established until completion of:
- a. 100% of the Trustees, Foundation Directors, and Campaign Cabinet have made campaign pledge;
 - b. Solicitation of the top 8-10 gift; and
 - c. Complete prospect review and evaluation of all prospects.

Draft Recommendations

1. Invite the Thomas Memorial Library Foundation to conduct a fundraising campaign for the support of the proposed Thomas Memorial Library and Cultural Center.
2. Provide \$50,000 to the Thomas Memorial Library Foundation as seed money for the procurement of services of a professional fundraising consultant.
3. Invite the Thomas Memorial Library Foundation to present a plan to the Trustees of the Thomas Memorial Library for naming opportunities. The Trustees shall then provide a naming opportunities plan to the Town Council for consideration.
4. Request the town manager to include in his recommended FY 2013 budget approximately \$40,000 for part-time library staff so that the library director and the children's librarian may free up time to assist with the proposed project.
5. Request the Trustees of the Thomas Memorial Library to finalize and present to the Town Council a cultural center plan which optimizes functionality and accessibility of space and resources, adaptability for current and emerging technology and which emphasizes programming and resources for youth. As part of this plan, a pro forma operating budget should be prepared for programs, staff and utility costs for the new facility.
6. Request the town manager to work with the Trustees and the Cape Elizabeth Historic Preservation Society to re-evaluate the space needed for archival storage in the proposed new facility.
7. Request the Town Council Chairman, the Finance Committee Chair and the Town Manager to work with school officials to evaluate capital needs in light of the upcoming retirement of debt service payments for past school projects.

To: Cape Elizabeth Town Council

From: Michael K. McGovern

Re: Hypothetical Library Bond

Date: January 23, 2012

Looking ahead to decisions on the library, I asked Joe Cuetara our financial advisor at Moors and Cabot to prepare a hypothetical amortization schedule if we borrowed \$7.0 million for 20 years in April 2014. He estimated that the interest rate could be 4.5% at that time which is considerably higher than the current rate. The annual payment for interest and retirement of the debt would peak at \$665,000 in FY 2015 and decline by about \$15,000 each year. This assumes level principal payments of \$350,000 per annum.

The Demont study makes mention of the fact that other debt will be retired in FY 2014. In fact, the debt service payment requirement for FY 2015 is \$629,442 less than in FY 2014 with \$600,000 of this resulting from the retirement of the debt to renovate the middle and elementary schools.

Among the staff recommendations to be made at your upcoming workshop is the following recommendation:

Request the Town Council Chairman, the Finance Committee Chair and the Town Manager to work with school officials to evaluate capital needs in light of the upcoming retirement of debt service payments for past school projects.

FY	Total School			Total Municipal			Sewer Fund	Grand Total			Change from Previous Year
	Principal	Interest	Total P&I	Principal	Interest	Total P&I	Total P&I	Principal	Interest	Total P&I	
2011	1,037,262	306,776	1,344,038	785,627	285,482	1,071,109	219,563	1,981,811	642,444	2,624,255	
2012	1,029,762	278,860	1,308,622	772,238	298,212	1,063,035	219,563	1,963,672	624,508	2,588,180	(36,075)
2013	1,022,262	251,083	1,273,345	769,738	307,995	1,050,144	219,584	1,956,469	603,718	2,560,187	(27,993)
2014	1,009,762	223,006	1,232,768	767,238	281,717	1,025,874	219,563	1,944,314	546,517	2,490,831	(69,356)
2015	438,512	194,356	632,868	764,738	254,675	1,000,834	219,563	1,373,458	487,931	1,861,389	(629,442)
2016	438,512	171,320	609,832	770,988	227,559	984,065	219,564	1,382,654	434,834	1,817,488	(43,901)
2017	438,512	154,484	592,996	755,988	200,085	936,031	219,562	1,370,648	387,528	1,758,176	(59,312)
2018	438,512	137,648	576,160	755,988	172,478	912,892	219,564	1,373,697	340,038	1,713,735	(44,441)
2019	437,608	120,554	558,162	746,892	144,750	879,824	219,563	1,366,796	292,116	1,658,912	(54,823)
2020	437,608	103,341	540,949	741,892	116,760	851,203	219,563	1,364,950	243,759	1,608,709	(50,203)
2021	437,608	85,837	523,445	456,892	87,417	543,819	219,561	1,083,156	193,704	1,276,860	(331,849)
2022	437,608	68,108	505,716	271,892	57,686	325,659	219,562	901,422	142,979	1,044,401	(232,459)
2023	432,608	50,036	482,644	196,892	40,866	237,758	219,562	824,742	104,767	929,509	(114,892)
2024	432,608	32,841	465,449	196,892	31,809	228,701	219,563	828,120	75,138	903,258	(26,251)
2025	257,608	13,527	271,135	196,892	23,424	220,316	219,563	656,556	44,003	700,559	(202,699)
2026	22,608	2,753	25,361	196,892	15,821	212,713	219,563	425,052	22,130	447,182	(253,377)
2027	22,608	1,848	24,456	196,892	9,269	206,161		219,500	11,117	230,617	(216,565)
2028	22,608	933	23,541	102,392	4,224	106,616		125,000	5,157	130,157	(100,460)
Total	8,794,176	2,197,311	10,991,487	9,446,963	2,560,229	11,856,754	3,513,006	21,142,017	5,202,388	26,344,405	

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Town of Cape Elizabeth, Maine
 2014 General Obligation Bonds
 (Library Project)

 Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
10/15/14			157,500.00	157,500.00	
4/15/15	350,000.00	4.500000	157,500.00	507,500.00	665,000.00
10/15/15			149,625.00	149,625.00	
4/15/16	350,000.00	4.500000	149,625.00	499,625.00	649,250.00
10/15/16			141,750.00	141,750.00	
4/15/17	350,000.00	4.500000	141,750.00	491,750.00	633,500.00
10/15/17			133,875.00	133,875.00	
4/15/18	350,000.00	4.500000	133,875.00	483,875.00	617,750.00
10/15/18			126,000.00	126,000.00	
4/15/19	350,000.00	4.500000	126,000.00	476,000.00	602,000.00
10/15/19			118,125.00	118,125.00	
4/15/20	350,000.00	4.500000	118,125.00	468,125.00	586,250.00
10/15/20			110,250.00	110,250.00	
4/15/21	350,000.00	4.500000	110,250.00	460,250.00	570,500.00
10/15/21			102,375.00	102,375.00	
4/15/22	350,000.00	4.500000	102,375.00	452,375.00	554,750.00
10/15/22			94,500.00	94,500.00	
4/15/23	350,000.00	4.500000	94,500.00	444,500.00	539,000.00
10/15/23			86,625.00	86,625.00	
4/15/24	350,000.00	4.500000	86,625.00	436,625.00	523,250.00
10/15/24			78,750.00	78,750.00	
4/15/25	350,000.00	4.500000	78,750.00	428,750.00	507,500.00
10/15/25			70,875.00	70,875.00	
4/15/26	350,000.00	4.500000	70,875.00	420,875.00	491,750.00
10/15/26			63,000.00	63,000.00	
4/15/27	350,000.00	4.500000	63,000.00	413,000.00	476,000.00
10/15/27			55,125.00	55,125.00	
4/15/28	350,000.00	4.500000	55,125.00	405,125.00	460,250.00
10/15/28			47,250.00	47,250.00	
4/15/29	350,000.00	4.500000	47,250.00	397,250.00	444,500.00
10/15/29			39,375.00	39,375.00	
4/15/30	350,000.00	4.500000	39,375.00	389,375.00	428,750.00
10/15/30			31,500.00	31,500.00	
4/15/31	350,000.00	4.500000	31,500.00	381,500.00	413,000.00
10/15/31			23,625.00	23,625.00	
4/15/32	350,000.00	4.500000	23,625.00	373,625.00	397,250.00
10/15/32			15,750.00	15,750.00	
4/15/33	350,000.00	4.500000	15,750.00	365,750.00	381,500.00
10/15/33			7,875.00	7,875.00	
4/15/34	350,000.00	4.500000	7,875.00	357,875.00	365,750.00

	7,000,000.00		3,307,500.00	10,307,500.00	
ACCRUED					
	7,000,000.00		3,307,500.00	10,307,500.00	

Dated 4/15/14 with Delivery of 4/15/14
 Bond Years 73,500.000
 Average Coupon 4.500000
 Average Life 10.500000
 N I C % 4.500000 % Using 100.000000

Weighted Bond Years 73,500.000
 Weighted Average Life 10.500000
 Weighted N I C % 4.500000 % Using 100.000000
 T I C % 4.500000 % From Delivery Date

Moors & Cabot, Boston, Massachusetts