

**Branch District Library
Finance Committee Minutes
July 17, 2015
3:00 pm
3rd Floor Meeting Room at Coldwater Branch**

Recommendations Synopsis:

1. Elevator – Recommending Otis's bid of \$67,963 which includes the aesthetic upgrade and full maintenance plan rate at \$200 per month.
2. Elevator Incidentals – Recommend staff work with Otis and independent contractors to provide the incidentals needed for elevator installation; to include but not limited to GFI electrical outlets and smoke detector upgrades.
3. Elevator Funding – Recommend taking out a loan with Southern Michigan Bank & Trust in the amount of \$80,000 for 5 years at 1.39% interest and an annual fee of \$200.

Minutes:

Erica Ewers called Finance Committee Meeting to order at 3:00 pm with remaining committee members Dan Gordon and Ben Jewell present as well as Director Evette Atkin and John Rucker.

The 3 bids for the elevator were reviewed again (please see chart attached)

- a. Otis bid came in at \$64,495, which takes into account the \$4,000 sensor we bought earlier. The aesthetic upgrade cost is \$8,468 but they are giving us a \$5,000 allowance towards this so the actual cost is \$3,468. They are doing interior repairs at cost. The total cost then is \$67,963. The monthly maintenance fee is \$200 for the full maintenance plan.
- b. McNally bid came in at \$69,740 with removal & replacement of old cab at \$15,870 for a total cost of \$85,610. Monthly maintenance fee is \$184.
- c. Schindler bid came in at \$78,769 with car repairs at \$19,000 and monthly maintenance fee of \$259.

All three companies came recommended by various agencies both within and outside the County. Based on the bids the Finance Committee is recommending Otis Elevator with the aesthetic improvements and the full maintenance plan.

The committee is also recommending to allow the staff to coordinate with Otis and Independent contractors to cover the additional items that are not covered in the contract – GFI plugs and smoke detector changes.

John and Evette spoke to Southern Michigan Bank and Trust regarding financing options for the elevator project for 3-5 year and interest rates. The 5 year quote is attached. Committee recommended requesting \$80,000 to have enough to cover incidentals and the items not covered by the companies. The 5 year rate gives us a realistic payback rate to allow for other items that may come up. The loan is to be paid back from the Coldwater Capital funds. Southern Michigan is offering \$80,000 for 5 years at 1.39% fixed interest and an annual fee of \$200. Finance committee is recommending the 5 year option.

Meeting adjourned at 3:30 pm.

Minutes prepared by:

Erica Ewers

2015 Coldwater Branch Elevator Project Bid Comparison

	Otis	Schindler	McNally
System	New self-leveling mechanism, New firefighters' emergency operation, all wiring	all wiring	all wiring, leveling mechanism,
Machine Room	New Controller, new solid-state starter, new power unit, new motor, new control valve, new hoistway access switch	New controller with battery lowering device, new oil cooler	New controller, new pump, new motor
Doors	New closed-loop door operator, new interlocks	New operator and related components	new door operators, new infrared light curtains
Hoistway	New hoistway operating devices, new pit switch,	interlocks	replace packing on piston, interlocks
Fixtures	New car operating panel, new emergency lighting new hall buttons at each floor	New car operating panel, new emergency lighting new hall buttons at each floor	New car operating panel, new emergency lighting new hall buttons at each floor
Work by others	Installation of GFI electrical outlets in machine room, smoke detector tie-in, flooring	New wiring from the disconnect to the controller, smoke detector tie-in, GFI electrical outlet in pit	Smoke detector tie-in, GFI electrical outlet in pit
Modernization Price	\$64,495.00	\$78,769.00	\$69,740.00
Aesthetic Upgrade	\$8,468 - \$5,000 allowance = \$3,468	\$19,000.00	\$15,870.00
TOTAL	\$67,963.00	\$97,769.00	\$85,610.00
Monthly Maintenance	\$158 (partial) \$200 (full)	\$259.00	\$184.00



51 West Pearl Street • P.O. Box 309 • Coldwater, Michigan • 49036

June 29, 2015

Evette M. Atkin
Director
Branch District Library
10 East Chicago Street
Coldwater, MI 49036

Dear Evette:

I am pleased to confirm Southern Michigan Bank & Trust's willingness to offer the following credit facility to the Branch District Library:

Borrower: Branch District Library

Amount: \$80,000

Purpose: To refurbish the elevator.

Interest Rate: 1.39% Fixed

Fee: \$200

Repayment: The loan would be written on a five year/fully amortizing loan calling for quarterly payments of approximately \$4,148. This payment includes principal and interest.

Collateral: Unsecured

Other Terms

- & Conditions:**
1. The project would be completed by November 30, 2015.
 2. Board minutes would be received authorizing this loan transaction with the bank and also indicating who will be authorized to execute the loan documents.
 3. There will be no prepayment penalty.


Servicing

Requirements: Continuation of this facility is contingent upon the ongoing satisfaction of the financial affairs of the borrower, to monitor this situation we request the timely submission of the year end audited financial statements.

We appreciate the opportunity to again partner with the Branch District Library and appreciate the services you provide for all of the citizens of Branch County. Do not hesitate to contact me with any questions or concerns that you might have regarding this proposal.

If this is acceptable, please sign this letter and return it to me no later than July 31, 2015, at which time this commitment expires.

Sincerely,



James M Sobeske
Vice President

Branch District Library

Accepted: _____

Date: _____