

This evening you are considering awarding a bid for Ludington in the amount of \$6,316,000. On the surface this looks compelling. However, the full cost of renovation, refurbishing and expansion of Ludington is \$9,132,736 according to Ms. Steckel's memorandum.

I would ask you to consider several issues.

First, the sum total, according to Ms. Steckel's memo, exceeds the 2010 CIP by \$1,079,736. Further, it must be assumed that most of the \$9.132M is actual Township funds. Though the narrative for the Ludington project in the CIP mentions \$1.5M matches from the Library Capital Campaign OVER FIVE YEARS, it only actually anticipates \$400K in 2010. An additional \$300K is budgeted for 2011 along with \$50K of state funds, but there is absolutely no reason to believe they will be forthcoming given the state budget and the library fund's donations to date. Why would anyone be compelled to donate to a library construction already built with their tax dollars? In fact, aside from those donations in 2010 and 2011, the remainder of the \$1.5M library donation is unaccounted for as a source of revenue in the cash flow projections. Thus, in 2010 it is probable that we will need to borrow the full \$9.132M dollars.

Astonishingly, though we have heard so much about this being a savings opportunity for the township due to the competitive bidding climate, the 2009 CIP pegged the township contribution for the entire project at \$8.049M, or \$683,736 less than the total Township contribution to the project today. This is primarily because the Township expected a \$2.55M contribution UPFRONT from the Library's Capital Campaign.

Some commissioners have told their civic associations that we can do Ludington and still have a zero percent tax increase in 2010. This is true, but only because the real cost of Ludington will not be felt until 2011 when the first impact of the \$9M borrowing is reflected in the debt service. If we were able to borrow at the same advantageous rate that we enjoyed on new debt this year, the debt service on Ludington alone would amount to \$672,600 in 2011 or a tax rate increase of 3%.

We are about to embark on a project which will be the largest single capital project of the next five years. And if you award the bids during this special session of the Finance Committee, you will have committed the Township BEFORE even commencing a hearing on the Capital Improvement Plan. I ask that you hold the public hearings and adopt the 2010 CIP before you make this award. To do otherwise is to make a mockery of the budget process.

Audrey Romasco