



Request for City Council Committee Action From the Department of City Coordinator

Date: October 29, 2007
To: Ways and Means/Budget Committee
Referral to: Board of Estimate and Taxation

Subject: Community Library System Capital Improvement Bonding Approval

Recommendation:

Subject to City Council approval of the financial transactional agreement related to the library merger, the Finance Officer recommends the City Council authorize the issuance of the remaining Community Library Referendum Bonds and approve the issuance of Net Debt Bonds as prescribed in the five-year capital improvement plan for the Community Library System as requested by the Minneapolis Library Board and that the City Council request the Board of Estimate and Taxation to issue the bonds as indicated below.

- 1.) Approve issuance of \$11,213,335 of Community Library Referendum Bonds and request the Board of Estimate and Taxation to issue the bonds in the amounts and timing indicated on Attachment A.
- 2.) Approve issuance of \$5,610,000 of Net Debt Bonds and request the Board of Estimate and Taxation to issue the bonds in the amounts and timing indicated on Attachment B.

Approved by: _____
Patrick Born, City Finance Officer

Steven Bosacker, City Coordinator

Presenters: Heather Johnston and Mike Abeln.

Permanent Review Committee (PRC) Approval _____ Not applicable X
Policy review Group (PRG) Approval _____ Not applicable X

Financial Impact (Check those that apply)

- ___ No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- ___ Action requires an appropriation decrease to the Capital Budget
- ___ Action requires an appropriation increase to the Operating Budget
- ___ Action provides increased revenue for appropriation increase
- ___ Action requires use of contingency or reserves
- ___ Business Plan: ___ Action is within the plan. ___ Action requires change to plan

- Other financial impact (Explain): Action requires issuance of Library Referendum Bonds and Net Debt Bonds in 2008 - 2010.
- Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Community Impact

Neighborhood Notification: Not Applicable

City Goals: Maintain the physical infrastructure to ensure a healthy, vital and safe city.

Comprehensive Plan: Not Applicable

Zoning Code: Not Applicable

Background/Supporting Information:

In conjunction with the consolidation of the Minneapolis Public Library System and the Hennepin County Public Library System, an agreement is being finalized that provides for the continuation of the five-year capital improvement program for 2008 - 2012. As part of the Library Referendum passed in November of 2000, the Minneapolis Public Library has total referendum bonding authority remaining of \$11,605,000. Of this amount, \$391,665 has already been authorized in prior years of the capital program but the bonds have not yet been issued. For this action, \$11,213,335 is now being requested to be officially authorized for the libraries specified in Attachment A and the bonds are being requested to be issued within the prescribed timeline indicated in Attachment A. This action is consistent with the 2008 - 2012 five-year capital improvement program and the requested action as passed by the Minneapolis Public Library Board on September 19, 2007.

In a similar manner, the City is agreeing to honor previous commitments of net debt bond funding to provide resources for the continuation of the five-year capital improvement program for 2008 - 2012. As part of this commitment, the Minneapolis Public Library Board has requested the issuance of \$5,610,000 of net debt bonds for specified libraries as approved by their board on September 19, 2007. For the net debt bond portion of the community library capital improvement plan, there is a total of \$6,460,000 of bonds yet to be issued. Of this amount, \$850,000 has already been authorized in prior years of the capital program but the bonds have not yet been issued. For this action, \$5,610,000 is now being requested to be officially authorized for the libraries specified in Attachment B and the bonds are being requested to be issued within the prescribed timeline indicated in Attachment B.

Upon passage of these actions, the City will have completed its authorization for all bonding commitments for improvements to the community library system per the unification agreement with the Hennepin County Public Library System. The bonding requests detailed in Attachment A and Attachment B have been reviewed by the Committee of the Whole of the Planning Commission and will be before the full Planning Commission for consideration of Location and Design Review approval on October 29, 2007.

The City will convey the proceeds of the future bond sales as grants to Hennepin County shortly after the bond closing dates. The City will be financially responsible for all current bonds outstanding for library improvements prior to the merger and will also pay all debt service costs for the bonds issued in the future per the above actions.

CC:

City Council
Library Board