

**City of Minneapolis
Plan to Fund Minneapolis/Hennepin Library Unification**

The following describes a proposal for Minneapolis to fund the plan to unify the City and Hennepin Library systems beginning in 2008. This plan:

- Supports the Guiding Principles for the Consolidation of Library Services adopted by the Committee on the Future of Libraries in Hennepin County.
 - Supports the City's tax policy and LGA allocation policy.
 - Assumes the **City's LGA after 2007 will be held at a constant dollar amount** and that the City will reserve the Library Board's share of LGA to fund a portion of the City's obligations under this plan. (The current financial direction anticipates an annual reduction in LGA resulting from the current law formula.)
 - Funds the reopening of three closed libraries at 24 (Roosevelt and Southeast) and 20 (Webber Park) hours per week. This action restores service in these libraries to 2006 levels.
1. **Base contribution.** The City will make a Base Contribution to Hennepin County starting in 2008 of \$7.8 million that will decline to zero by 2018. This contribution will fund a portion of the cost of operating the unified library system. The City will fund this contribution from the LGA that would otherwise have been allocated to the Library Board.
 2. **Contribution to Reopen Three Libraries.** The City will fund the reopening of the three libraries beginning in 2008. Library reopening and other one time costs total \$2.1 million. The City will appropriate \$2.1 million from the general fund to fund this cost.
 3. **Outstanding Library Bonds.** The City will continue to levy property taxes to pay the debt service for referendum bonds (issued and to be issued) and other capital improvement bonds (issued and to be issued) the City for libraries. The County will reimburse the City for parking ramp bonds.
 4. **Capital Improvement Contributions.** The City will make capital contributions funded from the sale of authorized referendum bonds (\$11.6 million) and net debt bonds (\$6.5 million). These contributions will be used for the improvement of Minneapolis libraries as planned in the City's five year capital improvement budget plus \$500,000 for the Walker Community Library.
 5. **Pension (MERF) Contributions.** The City will remain obligated for contributions to MERF, except for the employer share of payroll costs.