Ramsey County Library
Request for Library Board Action

Meeting Date	Action Requested	Presented By
June 21, 2017	Information and Discussion	Jill Boldenow, Library Director

SUBJECT:
Library Fund and Capital Fund

BACKGROUND:
The Library Board requested information regarding spending authority for the Library fund and capital funds.

BOARD ACTION REQUESTED:
For Information and Discussion.

Library Fund and Capital Fund

Ramsey County uses a two-year (biennial) operating budget. We are currently in the process of developing the 2018-19 Library budget. This involves the Library and other County departments submitting operating budget documents to the Finance Department to inform the County Manager's proposed budget. The Library Board approves the operating budget that the Library Director submits to the County Manager. The County Manager and departments present to the County Board. The County Board certifies the maximum property tax levy and holds public hearings. The County Board adopts the biennial budget and the property tax levy. Note that the library fund is supported by a suburban-only property tax levy, because our service area is suburban Ramsey County.

Minnesota Statutes establish how public library service is supported by a city or county library fund created by a property tax. Statute 134.07 describes the county board's role in levying the tax. Statute 134.11 describes the library board's role in having control of the expenditure of library fund money.

> **134.11 ORGANIZATION OF BOARD; DUTIES.**
> **Subd. 2.**Duties.
> The library board shall adopt bylaws and regulations for the government of the library and for the conduct of its business as may be expedient and conformable to law. It shall have exclusive control of the expenditure of all money collected for or placed to the credit of the library fund, of interest earned on all money collected for or placed to the credit of the library fund, of the construction of library buildings, and of the grounds, rooms, and buildings provided for library purposes. All money received for the library shall be paid into the city or county treasury, credited to the library fund, kept separate from other money of the city or county, and paid out only upon approval by the board. The library board may lease rooms for library use. The library board shall appoint a qualified library director and other staff as necessary, establish the compensation of employees, and remove any of them for cause. With the approval of the council or board of county commissioners, the library board may purchase grounds and erect a library building thereon.
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> **Source: Minnesota Statues Chapter 134. Public and Multitype Libraries.**
> **https://www.revisor.mn.gov/statutes/?id=134**

The library fund supports our operating budget. The County also invites departments, on a biennial basis, to propose projects requiring capital funds for facility, equipment, and infrastructure needs. The County uses a Capital Improvement Program (CIP) to prioritize and budget capital funds for projects, and it is similar in many respects to the biennial operations budget process described above.

One significant difference is that the CIP asks departments to project their capital funding needs over the next six years. While the CIP keeps an eye on the County capital needs over a six-year span, the County only budgets funds for the first two years of the CIP plan.

A second distinction of the CIP process is that it involves a Capital Improvement Program Citizens' Advisory Committee (CIPAC) consisting of up to 14 citizens appointed by the County Board, along with County staff. The CIPAC reviews all CIP requests and makes recommendations to the County Board. The County Board determines what capital projects are approved and issues bonds to fund the plan. Any subsequent adjustments to the plan for using capital funds are brought to the CIPAC and the County Board.

Previously, the Library has received capital funds through the CIP process to support several Library construction projects. In 2017, the Library made a request for a new CIP allocation. We requested $100,000 to support furniture refurbishment needs at two libraries. The County recommends that the Library use Shoreview construction contingency funds rather than new CIP funding for this purpose. As part of the current biennial budget process, the County Board will be asked to approve allocating $100,000 in contingency funds each year (for a total of $200,000) to support furniture refurbishment needs throughout the Library system.

The Shoreview Library capital project is expected to come in under budget, and there are also some construction contingency funds that were not used. We do not yet know the exact balance. The Library may bring a proposal to CIPAC and the County Board to utilize these capital funds for developing and/or implementing a new capital plan.