

Memorandum

To: Policy Board Members and Alternates

From: Joe Mullery, Board Chair

Date: April 13, 2004

Subject: Proposed Legislative Changes to NRP

In September, as part of the Board packet, all Board members and alternates received copies of an August 11 memorandum from NRP Director Bob Miller to CPED Director Lee Sheehy, which proposed that NRP provide the service for more of its contract administration activities. The proposal was made to try and correct contract management and monitoring performance, cost and timeliness issues that have been concerns for many Board members for many years.

The memorandum suggested formally recognizing the city initiated change in contract administration that had occurred when the city voluntarily indicated that it could not, and did not want to manage NRP contracts with neighborhoods. Unfortunately, the end result of this effort to improve our contract administration activities was the involvement of the City Attorney and an October 22 opinion that has resulted in two attorneys reviewing even the most routine contracts, more than twice as many contracts being needed to expend the same amount of dollars, and projected hourly contract management rates for city personnel that are 40% higher than the rates that would have applied if the original proposal had been implemented. Who suffers for this? The neighborhoods and residents of the city, because more of our fewer NRP dollars have to be spent supporting administrative costs, more hoops need to be jumped through by neighborhoods to get contracts signed, and the people with the most knowledge of the neighborhood action plans are the farthest removed from administering the contracts that implement the plan.

We need a more rational system that costs less and can be more responsive. Putting such a system in place is not brain surgery, but it can be implemented best by clarifying the statute governing NRP. This amendment is intended to provide a better, more efficient and effective government procedure, that all of the jurisdictions participating in NRP should wholeheartedly support and embrace. It is time to do what is necessary to improve NRP procedures so that our neighborhoods and city can reap the benefits from their efforts.

I have attached a legislative amendment to Minnesota Statutes 469.1831 (the NRP law) that I propose to introduce this session to correct the problem. This eleven-word amendment clarifies that NRP has the option of managing the contracts for its own funded activities.

The second legislative amendment that I am proposing clarifies the point at which Common Project revenues become the revenues of NRP. Debate has arisen on this point, even though I think the meaning of the law is clear. The other legislators I have talked to, and the attorney who drafted the original statute, agree with my interpretation of the intent of the legislation when the law was passed. To make it clear when the transfer of ownership of revenue occurs, I recommend a wording change (attachment 2), which sets forth the legislature's intent that these funds be conveyed to NRP within a month after the end of the year for which the revenues are to go to NRP. The remaining changes to this statutory section clean up some old language and reaffirm NRP's commitment to meeting the obligations contained in the original legislation.

I bring these two legislative actions to the Board for your support and endorsement. These amendments remove ambiguity and help clarify the existing statutes so that NRP will be easier to administer and more focused on improving neighborhoods. Action is needed because the interpretations that have been and are being made of the statute are changing its intent and effectiveness. We need to return to the original purposes of NRP and reaffirm our commitment to supporting the neighborhoods.

I propose the following motion:

RESOLVED: That the NRP Policy Board endorses the amendments to the NRP statute and Section 604 of Laws of 1990, which are attached to this memorandum.