

## Memorandum

Date: April 21, 2010

To: Policy Board Members and Alternates

From: Robert D. Miller, Director

Subject: NRP and NCR

For the past few months, I have been working with David Rubedor, Director of the Minneapolis Neighborhood and Community Relations Department (NCR), to create a draft plan for “Collaboration, Cooperation and Consolidation” between NRP and NCR. The development of the draft plan is now complete and I am bringing this to the NRP Policy Board for your review, comment and approval.

The purpose of this effort was to provide a practical and responsible plan for consolidating the administrative functions of NRP and NCR, as appropriate, in time frames that would maximize the potential for success while recognizing and honoring the distinct authorities and responsibilities of both programs. Neither David nor I am completely satisfied with this plan but it is now ready for review by other stakeholders in this process.

The draft plan is attached.

## NRP and NCR: Collaboration, Cooperation and Consolidation Plan (Draft)

### A Plan for the Future

Over the next several years, the activities of the Minneapolis Neighborhood Revitalization Program (NRP) will be winding down and the City of Minneapolis' Neighborhood and Community Relations (NCR) department will become operational. The Minneapolis City Council passed a resolution on December 18, 2009 that the NRP and NCR directors "work together to develop and implement a plan to bring the administrative functions of the NRP program into the NCR Department by December 31, 2010". There are legal and practical considerations, however, that will govern the timing and amount of consolidation that can and should occur. This plan will maximize the opportunities for NCR to succeed, ensure that NRP continues to meet its statutory and contractual obligations, and minimize administrative duplication and cost. It will:

- Reduce or eliminate any duplication of administrative expenses
- Maximize funding for neighborhood organizations
- Provide a seamless transition for neighborhoods from NRP to the NCR
- Maintain the integrity of both the NRP and NCR programs.

### **Background**

1. The City of Minneapolis established the NRP pursuant to Minnesota Statutes, Section 469.1831 and Laws 1990, chapter 604, article 7, section 7 (the NRP Laws), which prescribe the parameters of the program, the processes that it must use, the goals that it must meet, the methods by which decisions are to be made, and the uses of the funds appropriated for NRP between 1990 and 2009. The mission of NRP is to make the City's neighborhoods better places to live, work, learn and play by investing in neighborhood-based priority setting, planning and implementation.
2. NCR has been independently created by the City of Minneapolis. A significant amount of NCR's funding will be provided under the state granted authority in Laws 2008, chapter 366, article 5, section 37 (the Special Law). The NCR, in conjunction with the Neighborhood and Community Engagement Commission (NCEC) and City Council, is in the process of prescribing the parameters of the City's community engagement program, the processes that it must use, the goals that it must meet and the methods by which decisions are to be made. The NCR mission is to strengthen the quality of life in Minneapolis through vigorous community participation, resident involvement in neighborhood and community organizations, and supporting clearly defined links between the City, City services and neighborhood and community organizations.
3. The NRP Policy Board is a quasi-joint powers entity created pursuant to Minnesota Statutes Section 469.1831 and by a voluntary agreement (the Joint Powers Agreement) between the City of Minneapolis, Independent School District No. 1, the Library Board of the City of Minneapolis (since merged with Hennepin County), the Park and Recreation Board of the City of Minneapolis, and Hennepin County. The NRP Policy Board has the powers and duties authorized under the NRP Laws and delegated to it pursuant to the Joint Powers Agreement. These include the power to employ staff and enter into contracts for

services. The Joint Powers Agreement that created the NRP Policy Board became effective January 1, 1992 and expires December 31, 2011. The Joint Powers Agreement can be extended with the agreement of all parties. If the Joint Powers Agreement expires or is terminated, the NRP Policy Board will no longer be able to contract or employ staff. The advisory roles mandated by the NRP Laws to review and approve neighborhood action plans and evaluate expenditures must be performed by the NRP Policy Board or another entity that meets the compositional requirements of the NRP Laws.

4. NRP and NCR recognize that any consolidation of administrative functions must minimize the adverse impact on neighborhood organizations and their operations. Both programs support neighborhood organizations and encourage resident engagement. Both programs support neighborhood-based priority setting, planning and implementation.
5. The eight current NRP staff are employees of the NRP Policy Board and are not employees of the City. They do not have any bumping or transfer rights to positions in the City or NCR. They are not members of any union and are hired, fired, evaluated and disciplined by the NRP Director and his management team. NRP staff receive their work assignments from the NRP Director and the management team of NRP. The NRP Director serves at the will of the NRP Policy Board. The NRP Policy Board establishes the salary schedules for NRP staff members. NRP employees are, however, members of PERA and have the same fringe benefit package as City employees. The City provides payroll services to NRP and human resources support and guidance. Every NRP employee has been with the NRP for at least 10 years and the average length of service is 16.3 years.
6. NRP funds are finite. The City's authority to provide revenues to NRP under the original statutes ended in 2009 with the transfer of \$20 million from the Common Project and the Brookfield loan repayment. But NRP plan development, implementation and contract management activities will continue for many years into the future.
7. NRP funds have been allocated to neighborhoods for development and implementation of Neighborhood Action Plans (NAPs). NRP staff currently are responsible for assisting with plan development and providing oversight of plan implementation. Forty-six Phase II Neighborhood Action Plans (NAPs) have been approved by the NRP Policy Board as of March 1, 2010. Most of the twenty-six (26) neighborhoods that do not yet have approved Phase II plans are in the process of developing and obtaining neighborhood, NRP and City Council approval of their Phase II NAPs.
8. Implementation occurs through City contracts. Expenditure of the allocated funds for Phase II will occur as contracts are executed and the required services, activities, programs and projects are performed
9. The City of Minneapolis, as authorized by the 2008 Special Law, has approved a Consolidated TIF District as a source of funding for neighborhood revitalization activities, including operating support for neighborhood organizations from 2011 through 2020. These funds will be administered by the NCR.

10. The NCR will begin adding neighborhood support staff in 2011.
11. As NRP Phase I and II contracts with neighborhoods are executed and contracted funds are expended, the NRP fund balance and ability to invest in neighborhood improvement will decline. At the same time, NCR's new funding program is expected to become a significant funder of the administrative activities of neighborhood organizations.
12. NRP staff have significant relationships with neighborhood associations and organizations throughout the City. They are respected advocates for, and monitors of, neighborhoods. They provide technical assistance on the processes of NRP and assist neighborhoods with the development, approval, and implementation of their Neighborhood Action Plans. They also provide professional support and advice to neighborhood organizations to help them effectively operate and contribute to the improvement of their neighborhood.
13. NRP has created and maintained a highly sophisticated and complex data management system to track neighborhood NRP activities and expenditures. This system was established outside of the City's BIS functions so that it could cost effectively meet NRP's program management needs. PlanNet NRP will need to be independently maintained as NRP functions merge into the NCR.
14. Almost 20% of NRP's central office administrative budget is paid to the City for staff support from DFD, CPED and the City Attorney's Office. Another 15% is spent on services that directly support neighborhoods (i.e. audits and insurance).

These factors influence the potential for, and the processes to be used to accomplish, collaboration and consolidation.

This plan is focused on preserving continuity and stability for the primary customers of both NRP and NCR: the neighborhood organizations of the City and its residents. The plan will ensure that the NRP functions will be performed in accordance with the NRP Laws while minimizing duplication of effort and maximizing opportunities for cooperation with NCR. It establishes a relationship between the past and present neighborhood and community empowerment program (NRP) and the City's new community engagement framework (NCR and NCEC) and offers an opportunity for the City to build a successful resident engagement program for the future.

### **The Plan**

1. One NRP staff member was detailed to the NCR in February 2010 to assist with development of the City's new Community Engagement program. A Memorandum of Understanding (MOU) was developed between NRP and NCR to govern the components of this arrangement. This staff person will remain an NRP employee and will continue to perform NRP related support work for NRP assigned neighborhoods until the MOU ends. The employee will take their direction for the NCR activities they perform during the term of the contract from the NCR Director.

Responsibility: NRP Director and NCR Director  
Completion date: February, 2010

2. NRP will determine where older program records should be stored and begin archiving neighborhood files and reducing the records at the NRP Central Office.

Responsibility: NRP Director and staff  
Completion date: June, 2010 and ongoing

3. The NRP and NCR Directors will finalize a Memorandum of Understanding (MOU) that details the agreed upon Consolidation Plan. Both Directors will work with their organizations to review and approve the MOU.

Responsibility: NCR and NRP Directors  
Completion Date: May, 2010

4. The NCR Director will work with the City Human Resources Department to develop and obtain approval for the position descriptions of the neighborhood staff to be employed in the NCR department. Positions that will be supporting NRP Phase I and II activities shall require prior NRP experience, including direct experience managing the city-level support functions needed to expend any remaining Phase I NRP funds and develop, approve, and implement Phase II NAPs.

Responsibility: NCR Director  
Completion date: June, 2010

5. The NCR Director will work with the City Human Resources Department to develop a transfer approach that can be used for NRP employees hired by NCR and that may wish to serve in the new department. The goal is to guarantee that the years of service and seniority earned as NRP employees transfers fully into their employment with the City of Minneapolis and that at the beginning of their employment with the City of Minneapolis their position and grade start at least at the same benefits and pay as their position in NRP.

Responsibility: NCR Director  
Completion date: September, 2010

6. The NCR Director and the NRP Director will review the arrangement in 1 above to determine if the results warrant the assignment of a second NRP staff member to NCR. If so, and a mutually agreeable NRP staff member can be identified and is willing to take the assignment, an MOU for that detail will be prepared and the additional NRP staff member will begin working with NCR.

Responsibility: NCR Director and NRP Director  
Completion date: September, 2010

7. NRP and NCR will coordinate their budget submissions for 2011 to ensure that no duplications of workload, overlap in staffing, or neighborhood support gaps occur.

Responsibility: NCR Director and NRP Director  
Completion date: September, 2010

8. The NRP Policy Board will approve at least 8 Phase II NAPs in 2010.

Responsibility: NRP Policy Board and staff

Completion date: December, 2010

9. The NRP Director and his management team will renegotiate existing equipment leases and minimize their terms and costs. No new leases or long term agreements for equipment will be approved by the NRP Director.

Responsibility: NRP Director

Completion date: December, 2010

10. The NRP Director will review all professional services agreements. Agreements will be terminated, reduced in terms of times of performance, or transferred to other organizations as appropriate.

Responsibility: NRP Director

Completion date: December, 2010

11. The NRP Director will terminate the current MOU between the NRP Policy Board and the City's Development Finance Department (DFD). NCR will take over the functions that DFD currently performs for NRP. A new MOU will be executed between the NRP Policy Board and NCR that identifies the services to be provided by NCR and the basis and costs to be charged to NRP's administrative budget.

Responsibility: NRP Director and NCR Director

Completion date: December, 2010

12. NCR will take over the neighborhood audit support functions of NRP.

Responsibility: NCR Director

Completion date: January, 2011

13. NCR takes over the D & O insurance functions that NRP performs for neighborhoods.

Responsibility: NCR Director

Completion date: March, 2011

14. NRP will initiate a review of the Joint Powers Agreement. The review should include a discussion of the membership of the NRP Policy Board, the functions to be performed by the Policy Board (budgeting, asset management, plan approvals, office and contract administration, etc.), and whether the Joint Powers Agreement should sunset, be modified and/or be extended.

Responsibility: NRP Policy Board and staff

Completion date: January, 2011

15. NRP will spin off the Minneapolis and Saint Paul Home Tour as an independent organization and turn the operation of this event over to the new organization.

Responsibility: NRP Policy Board and staff

Completion date: March, 2011

16. The NCR director will fill a minimum of four permanent neighborhood support staff positions that include support for NRP Phase I and Phase II activities. Funding for these positions is expected to be provided from Consolidated TIF revenues and be part of the Department's 2011 Budget.

Responsibility: NCR Director

Completion Date: June, 2011

17. NRP Central Office will continue to reduce its Central Office staff in 2011. As neighborhood support staff positions are added and filled at the NCR, and as those positions provide support for neighborhood NRP activities, NRP will change its staff compliment accordingly. If the positions are filled by the transfer of current NRP staff the vacated positions will be left unfilled and deducted from the NRP staff complement in the next budget cycle.

Responsibility: NRP Director and NRP Policy Board

Completion date: June, 2011

18. NCR and NRP will coordinate staffing changes (upsizing and downsizing) to ensure neighborhood support capacity is maintained and administrative costs are minimized.

Responsibility: NCR and NRP Directors

Completion Date: June, 2011

19. The NRP Policy Board will approve at least 12 Phase II NAPs in 2011.

Responsibility: NRP Policy Board and staff

Completion date: December, 2011

20. Decisions will be made on the disposition of all remaining NRP equipment, including desks, furniture, partitions, computers and printers, and files.

Responsibility: NRP Director and staff

Completion date: December, 2011

21. Data needed by NRP for its PlanNet database will continue to be entered by NRP staff and NCR staff with neighborhood NRP support responsibilities. The data will be reviewed by the NRP staff member responsible for PlanNet.

Responsibility: NCR Director and NRP Staff

Completion date: When 90% of the NRP balance in funds 01CNR and 01SNR as of 3/31/2010 has been expended.

22. The NRP website will be discontinued.

Responsibility: NRP Policy Board

Completion date: When 90% of the NRP balance in funds 01CNR and 01SNR as of 3/31/2010 has been expended.

23. NCR neighborhood staff will perform NRP support activities for the neighborhoods, including assisting with the development and approval of NRP Phase II Neighborhood Action Plans. Decisions regarding NRP plan approvals and implementation oversight activities will be the responsibility of the NRP Director or the NRP Policy Board, as appropriate. Staff working on NRP activities (in either NRP or NCR) will report to the NRP Director, or the Policy Board's designee, regarding all NRP Phase I and Phase II related activities.

Responsibility: NCR and NRP Director and NRP Staff

Completion date: To be determined by the NRP Policy Board.

24. The future support for and residence of PlanNet will be determined.

Responsibility: NRP staff and Policy Board

Completion date: When 90% of the NRP balance in funds 01CNR and 01SNR as of 3/31/2010 has been expended.

25. The NCR director will fill additional permanent neighborhood support staff positions, based on available funding and workload needs, that include support for NRP Phase I and Phase II activities. Funding for these positions will be expected to be provided from Consolidated TIF revenues and be part of the NCR Department's Budget.

Responsibility: NCR Director

Completion Date: To be determined by the NCR Director.

26. The remaining NRP positions will be vacated if the hires in 25 above are from the NRP staff.

Responsibility: NRP Policy Board

Completion date: To be determined by the NRP Policy Board.

27. The NRP lease with Welsh Companies for Room 425 of the Crown Roller Mill Building will be terminated.

Responsibility: NRP Policy Board

Completion date: To be determined by the NRP Policy Board.

**Note: Each activity in this plan requires the successful completion of the steps that proceed that activity. If the steps upon which the activity depends are not completed in a timely and successful manner, the timing of each succeeding step will be delayed.**

## Glossary

**NRP:** The Minneapolis Neighborhood Revitalization Program. Established pursuant to Minnesota Statutes, Section 469.1831 and Laws 1990 to invest revenues from Tax Increment Financing (TIF) districts in Minneapolis in the improvement of Minneapolis neighborhoods.

**NCR:** The Minneapolis Neighborhood and Community Relations Department. Established by the Minneapolis City Council as part of the “Framework for the Future” to oversee community engagement in the City.

**NCEC:** Neighborhood and Community Engagement Commission. Created by the Minneapolis City Council as part of the “Framework for the Future”. Consists of 8 City Council appointed representatives and 8 representatives elected by the neighborhoods of the City. Serves as an advisory board to the City and NCR.

**Joint Powers entity:** An organization governed by a Board consisting entirely and exclusively of elected public officials. The NRP Policy Board is a quasi-joint powers entity because it contains members who are not elected officials.

**NRP Policy Board:** The governing body for the Minneapolis Neighborhood Revitalization Program. It consists of elected officials from the City of Minneapolis, Minneapolis Public Schools, Minneapolis Parks and Recreation, Hennepin County and the Minnesota Legislature, neighborhood representatives and representatives of community interest groups such as labor, the United Way etc.

**Joint Powers Agreement:** The agreement signed by the City of Minneapolis, Hennepin County, Minneapolis Public Library Board, Minneapolis Public Schools, and Minneapolis Parks and Recreation that created the NRP Policy Board in 1990 and described its governance and activities.

**PERA:** The Public Employees Retirement Association. The pension fund for government employees of the City of Minneapolis, Hennepin County and other governmental jurisdictions.

**NAP:** Neighborhood Action Plans. Plans developed, approved and implemented by neighborhood organizations for the expenditure of funds provided by NRP.

**Consolidated TIF District:** A special authorization granted to the City of Minneapolis by the 2008 Minnesota Legislature to allow the City to create a new Tax Increment District from Tax Increment Financing Districts from 1979 that expired in 2009.

**NRP Phase I:** The first ten years of the NRP program (1991 – 2001).

NRP Phase II: NRP activities in 2001 and thereafter.

PlanNet NRP: NRP's extensive data base on neighborhood action plans, implementation activity, contracts and commitments.

MOU: Memorandum of Understanding. A formal agreement between two or more parties that governs a specific activity, program, service or arrangement.

CPED: The Community Planning and Economic Development Department (formerly the Minneapolis Community Development Agency) of the City of Minneapolis.

DFD: The Development Finance Division of the City of Minneapolis. This organization assists with contracting, processing payment requests and reporting program activity.

D & O Insurance: Directors and Officers Insurance. These policies provide liability and cost of defense coverage for organizations, including neighborhood associations.

NRP Staff: NRP has eight current staff, with seven providing direct support to neighborhoods. Staff and their neighborhoods are:

**JOE HORAN 673-5144**

*Neighborhoods*

Beltrami  
Central (CANDO)  
Field Regina Northrop  
Folwell  
Hale Page Diamond Lake  
Loring Park  
St. Anthony East  
Standish Ericsson  
Webber – Camden

**BARB LICKNESS 673-5202**

*Neighborhoods*

American Indian (Plan)  
Corcoran  
Downtown (DMNA)  
East Harriet  
Elliot Park  
Fulton  
Longfellow  
Lynnhurst  
Nokomis East  
North Loop  
Midtown Phillips  
Powderhorn Park  
Prospect Park  
West Phillips  
Ventura Village

**PEG MOUNTIN 673-5102**

*Neighborhoods*

Armatage  
Audubon Park  
Bancroft  
Cleveland  
Columbia Park  
Kenny  
Kingfield  
Lind-Bohanon  
Nicollet Island /East Bank  
Shingle Creek  
Tangletown  
Victory  
Waite Park  
Whittier  
Windom

**CARSTEN SLOSTAD 673-5150**

*Neighborhoods*

Cedar Isles Dean  
East Calhoun  
Kenwood Isles  
West Calhoun

**STACY SORENSON 673-5146**

*Neighborhoods*

Bryn Mawr  
Harrison  
Hawthorne  
Jordan  
Linden Hills  
Marcy Holmes  
McKinley  
Sheridan  
Southeast Como  
St. Anthony West

**ROBERT THOMPSON 673-5149**

*Neighborhoods*

Bottineau  
Bryant  
CARAG  
Cedar-Riverside  
East Isles  
East Phillips  
Holland  
Lowry Hill East  
Lyndale  
Marshall Terrace  
Stevens Square

**JACK WHITEHURST 673-5143**

*Neighborhoods*

Logan Park  
Lowry Hill  
Northeast Park  
Near North Willard Hay  
Seward  
Sumner-Glenwood  
Windom Park