

Memorandum

Date: September 20, 2010

To: Policy Board Members and Alternates

From: Robert D. Miller, Director, NRP

Subject: Final Draft of the Plan for Consolidation

At the July 26th Policy Board meeting I reviewed, with the Board, possible changes to the “NRP and NCR: Collaboration, Cooperation and Consolidation Plan” based on the input that was received from neighborhood organizations and individuals during the 45 day comment period directed by the Board. During that discussion the Board also advised that the legal opinion reference that I had deleted should be returned to the Plan.

At that meeting I indicated that I would be following up with NCR Director David Rubedor and reviewing the proposed changes with him after he returned from his vacation. Our meeting occurred on August 17 and we had a good discussion about the suggested modifications. We have mutually agreed that the revised draft attached to this memorandum is the version of the Plan that we believe will provide the best chances for a reasoned, practical and successful integration of the operations of NRP and NCR. The dates in this document are now, as recommended by the neighborhood comments that we received, referred to as “targets” and they will be, if this plan receives support from the Policy Board and City Council, used to guide continued implementation of the consolidation process.

Based on the results of the discussions to date and my view that this plan provides the best potential for a successful conclusion to the NRP program and support for the new City citizen engagement effort, I am recommending the following resolution for action by the Board:

RESOLVED: That the NRP Policy Board has reviewed, commented on and supports the action steps contained in the “NRP and NCR: Collaboration, Cooperation and Consolidation Plan” provided to the Board for its September 27 meeting;

BE IT FURTHER RESOLVED: That the NRP Director will assist with implementation of the NRP related strategies of this Plan as long as implementation is occurring in good faith and in a manner that protects neighborhood NRP assets and the continued integrity of the NRP program.

NRP and NCR: Collaboration, Cooperation and Consolidation Plan (Final 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 NRP Policy Board or another entity that meets the compositional requirements of the NRP Laws must perform the roles mandated by the NRP Laws to review and approve neighborhood action plans and evaluate expenditures.

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. The Neighborhood Revitalization Program and its funds will continue to be governed by the NRP statute, in accordance with the September 16, 2009 legal opinion from Kennedy and Graven.
7. NRP funds have been allocated to neighborhoods for development and implementation of Neighborhood Action Plans (NAPs). Program income generated from the use of neighborhood NRP funds shall continue to be neighborhood NRP income that is governed by that individual neighborhoods priorities and plans, consistent with Ordinance 2006-Or-019 that amended Title 16, Chapter 419 of the Minneapolis Code of Ordinances relating to NRP. 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 to the Department 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. The timelines in the consolidation plan must be flexible, to allow responses to unexpected or unintended events or circumstances, changes in the implementation environment, implementation delays or problems, and results of implementation that fail to meet expectations. Any dates should be considered targets. The focus and goal of the consolidation effort must be a seamless transition.
13. 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 and the City.
14. It is important to retain the vast knowledge of the City's neighborhoods vested in the current, experienced "downtown" NRP office staff. In addition, their technical and procedural expertise for facilitating contracts and various other mechanisms to support neighborhoods' plans, priorities, and operating processes is invaluable. If individual, effective current NRP staff members wish to do so, they should be encouraged and assisted with moving from NRP to NCR employment, without losing salary, benefits, or seniority. The compensation provided by the City should be at least equal to the compensation of other positions with similar responsibilities.
15. 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.

16. 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
Target 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
Target 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
Target Date: July 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. Hired staff should have: demonstrated competency in administering NRP contracts, shown they can work effectively with neighborhoods, a history of advocacy for neighborhoods, and good references from the neighborhoods with which they have worked.

Responsibility: NCR Director
Target 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
Target 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
Target 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
Target date: September 2010

8. The NRP Policy Board will continue to encourage and support neighborhood submission of Phase II NAP's for approval. The goal will be to have the Policy Board approve at least 8 Phase II NAPs in 2010.

Responsibility: NRP Policy Board and staff
Target 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

Target 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
Target date: December 2010

11. The NRP Director will terminate the current MOU between the NRP Policy Board and the City's Development Finance Division (DFD). A new three party MOU will be executed between the NRP Policy Board, DFD and NCR that identifies the services to be provided by DFD and NCR and the basis and costs to be charged to NRP's administrative budget.

Responsibility: NRP Director, DFD Director and NCR Director
Target date: December 2010

12. NCR will take over the responsibilities and costs for the neighborhood audit support functions of NRP and work with the Office of the State Auditor to ensure continuation of their role in providing audit and financial management review services to neighborhood organizations.

Responsibility: NCR Director
Target date: January 2011

13. NCR will take over the responsibilities and costs for the D & O insurance functions that NRP performs for neighborhoods and pay the insurance premium from its administrative budget.

Responsibility: NCR Director
Target 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. Since many neighborhoods have not yet completed their Phase II NAP's, and approved plans from Phase I and Phase II will continue to be subject to modification, the NRP Policy Board should continue to perform the responsibilities required by the NRP statute.

Responsibility: NRP Policy Board and staff
Target 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
Target 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
Target 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
Target 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
Target Date: June 2011

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

Responsibility: NRP Policy Board and staff
Target 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
Target 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
Target date: When the end of fiscal year NRP balance in funds 01CNR and 01SNR totals \$ 5,000,000 or less.

22. The future of the NRP website will be determined. The “Neighborhoods” section of the current NRP website contains a great deal of helpful information about the NRP plans/activities of individual neighborhoods in Minneapolis. This section should be maintained and updated by NRP/NCR staff for the foreseeable future, as it provides insights and a good history of Minneapolis’ neighborhoods’ considerable NRP work. If the NRP website is discontinued, this section should remain available to the public through NCR. Neighborhoods have used access to this site to learn from each other and this transfer of knowledge and information needs to continue.

Responsibility: NRP Policy Board
Target date: When the end of fiscal year NRP balance in funds 01CNR and 01SNR is \$ 5,000,000 or less.

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

24. The future support for and residence of PlanNet will be determined. PlanNet contains the history of neighborhood action plans and their implementation for all of the neighborhoods in Minneapolis. This database should be maintained, updated and preserved by NRP/NCR staff.

Responsibility: NRP staff and Policy Board
Target date: When the end of fiscal year NRP balance in funds 01CNR and 01SNR is \$ 5,000,000 or less.

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 is expected to be provided from Consolidated TIF revenues and be part of the NCR Department’s Budget.

Responsibility: NCR Director
Target 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
Target 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
Target 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.