



## Request for City Council Committee Action From the Department of

**Date:** February 24, 2002

**To:** Council Member Johnson, Chair, Ways & Means/Budget Committee  
Council Member Goodman, Chair, Community Development Committee

**From:** John Moir, City Coordinator and Lee Sheehy, Interim CPED and MCDA Director

**Subject:** CPED Organizational Structure

### **Recommendations:**

- Regulatory Services should remain a separate department from CPED and report directly to the City Coordinator.
- Community Planning & Economic Development (CPED) Department should report directly to the City Coordinator.
- Relocate the Minneapolis Employment and Training Program (METP) from the Health Department to CPED.

### **Previous Directives**

*That the City Coordinator and Interim CPED Director are directed to work with the affected agencies and departments to prepare, for Council consideration, recommendations regarding whether to incorporate functions of the NRP, Regulatory Services, and the Department of Health and Family Support into the CPED organizational structure, as well as recommendations regarding the long-term position of the CPED Office within the City's larger organizational structure. (September 13, 2002 – 2002R – 303 5j)*

**Prepared or Submitted by:** Lori Olson, Assistant to the City Coordinator  
**Presenters in Committee:** John Moir, City Coordinator and Lee Sheehy, Interim CPED and MCDA Director

#### **Financial Impact** (Check those that apply)

- No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):

## Background/Supporting Information Attached

In September 2002, the City Council approved a resolution that incorporated an interim director of Community Planning & Economic Development (CPED) into the organizational structure to coordinate city planning and development activity. The resolution also asked the City Coordinator to develop recommendations for the organizational structure of CPED, specifically regarding Regulatory Services and the Health Department, and the relationship of the City Coordinator to CPED.

Please note: the resolution also requested a recommendation regarding NRP. A joint City/NRP work team has been meeting since late fall to develop a report, which was not yet available at the time this memo was compiled. Once it becomes available, we will conduct a thoughtful analysis and put forth appropriate recommendations.

Attached is a staff report that provides options for the organizational structure of CPED. The report provides a thorough analysis of the current and proposed organizational structures, offers options for consideration, and examines the pros and cons for each option.

Having reviewed the report and consulted with Council Members and the Mayor, we offer the following recommendations for Council consideration:

- Regulatory Services should remain a separate department from CPED and report directly to the City Coordinator.
- Community Planning & Economic Development (CPED) Department should report directly to the City Coordinator.
- Relocate the Minneapolis Employment and Training Program (METP) from the Health Department to CPED.

We will outline the rationale for these recommendations below.

*Regulatory Services should remain a separate department from CPED and report directly to the City Coordinator.*

The primary concern over Regulatory Services reporting to CPED is the potential conflict between the City's role as regulator and its role as "developer." Regulatory Services' core function is protecting the public from safety and health hazards. Although many of Regulatory Services business lines involve plan review and building inspections that are linked to City-funded projects, the concerns voiced over potential conflicts of interest that could jeopardize the public safety lead us to recommend that the departments remain separate. The "public duty" responsibility to public health and safety should not be compromised in favor of the "private duty" needs of the developer. Maintaining the public's trust in our government supercedes the organizational alignment and efficiencies proposed by the original McKinsey report.

*Community Planning & Economic Development (CPED) Department should report directly to the City Coordinator.*

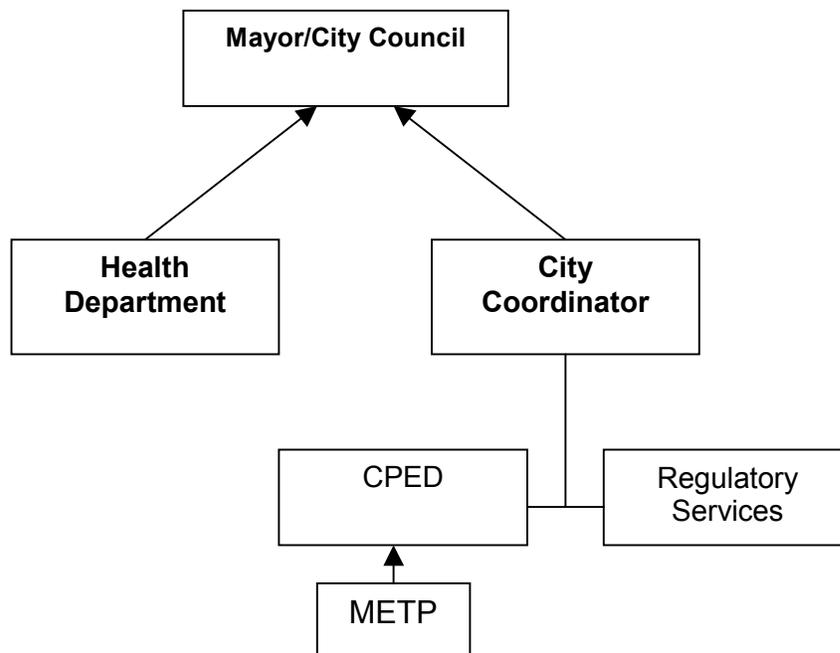
Although we are recommending that Regulatory Services report directly to the City Coordinator, this does not mean that coordination among business lines and customers with CPED is not a priority. The goals of increased accountability, improved coordination and customer service, and aligned goals and priorities between the regulatory development functions and CPED are crucial to the success of the reorganization.

To manage the coordination of these departments, we recommend that CPED report to the City Coordinator. This reporting relationship will clarify roles of  Office1] the two departments by

keeping them separate but at the same time align their goals, objectives, and practices through the oversight of the City Coordinator. In addition, conflicts will be managed at the staff level rather than at the committee level under the supervision of the Coordinator, which is important because Regulatory Services and CPED report to separate Council committees.

*Relocate the Minneapolis Employment and Training Program (METP) from the Health Department to CPED.*

Because there is little overlap in between the business activities of the two departments and primary customer overlap is minimal, we are recommending that the only part of the Health Department to merge with CPED is the METP program. Moving METP integrates workforce development activities with job creation activities which brings experienced, culturally adept community organizations to the table and builds community capacity by creating the opportunity to leverage traditionally distinct resources toward larger grant opportunities. METP's job training and job placement activities must be attentive to regional economic trends, as well as to the workforce development needs of local employers, and fits well with the goals and mission of CPED. The other Health Department business areas do not align with CPED's mission and goals because it serves different customers. We will work with METP's Private Industry Council (PIC) on this transition.



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[MSOffice1] I don't think we should promote the notion of tension between the depts . . . so this alternative language is offered to make the same point in a different way