

Request for City Council Committee Action

Date: December 13, 2005

To: Community Development Committee
Referral to: Ways & Means / Budget Committee

Prepared by: Carsten Slostad (Phone 673-5150)

Approved by: Robert D. Miller, Director _____

Subject: NRP 2006 Administrative Budget

Summary of the Request: This year's budget request is \$1,512,293 or 2% less than the 2005 budget request and 11.5% less than actual expenditures in 2004 due to continued reductions in the salary line item. Our staff complement is reduced to 10 FTE, one less than in 2005. The Professional Service line item detailed in Attachment B accounts for 34% of the 2006 budget proposal. Included in the salary line item is a 2% COLI beginning in January, which is consistent with the City of Minneapolis planned COLI for City employees.

Recommendation:

- (1) Approve the 2006 NRP Administrative Budget attached to this report in accordance with "Attachment A";
- (2) Amend the City of Minneapolis 2005 General Appropriation Resolution by increasing the Community Planning & Economic Development Department (CPED) agency Fund CNR—NRP Program Fund (CNR0-890-3550) appropriation by \$1,512,293 and request that CPED immediately transfer \$1,512,293 to the NRP's City of Minneapolis Fund 230;
- (3) Authorize the appropriate City officers to enter into any contracts or agreements needed to implement this request.

December 13, 2005

The Honorable Lisa Goodman, Chair
Community Development Committee
Minneapolis City Council
315 City Hall
Minneapolis, Minnesota 55415

The Honorable Barbara Johnson, Chair
Ways and Means Committee
Minneapolis City Council
315 City Hall
Minneapolis, Minnesota 55415

Re: NRP 2006 Administrative Budget

Dear Chairpersons Goodman and Johnson:

At its meeting on November 21, 2005 the Neighborhood Revitalization Program Policy Board approved and authorized funding for the NRP 2006 Administrative Budget, which is attached to this report. "Attachment A" shows the actual expenditures for 2000 thru 2004 and expenditures as of October 12, 2005. The Professional Services line item detailed in "Attachment B" accounts for 34% of the 2006 Budget Proposal. Over all, this year's budget is 2% less than the 2005 budget request and 11.5% less than actual expenditures in 2004.

The staff salary line item request is for an authorized FTE of 10, which is one less than our 2005 complement. NRP. Management has worked diligently to reduce the staff complement without layoffs or terminations. Personnel expenditures include a 2% Cost of Living Increase adjustment consistent with the adopted guidance of the City Council.

Attached to this report is a detailed report of the activities of the past year, highlights of Phase I accomplishments, a statement of financial conditions and the 2006 budget request that I presented to the Policy Board at their meeting. I have attached it for your information as well.

On November 21, 2005 the Policy Board passed the following resolution:

RESOLVED: That the Minneapolis Neighborhood Revitalization Program (NRP) Policy Board (Board) approves and adopts the Neighborhood Revitalization Program Administrative Budget for Fiscal Year 2006, in the amount of \$1,512,293 as detailed in "Attachment A" to the November 16 Administrative Budget Proposal memorandum which is incorporated herein by reference;

The Honorable Lisa Goodman
The Honorable Barbara Johnson
December 13, 2005
Page 2

RESOLVED FURTHER: That the Board authorizes the Director to spend up to \$1,512,293 in FY 2006 on administrative expenses generally in accordance with Attachment A, with total expenditures in the "Compensation" (4000-4900 and 7800-7860 account codes) and "Non-Compensation" categories to be limited to the amounts indicated in that budget, but with discretion to adjust amounts among the specific "Non-Compensation" line items as needed and between "Compensation" and the "Non-Compensation" category for "Professional Services" without further approval from this Board; and appropriates \$1,512,293 of NRP Program Moneys for administrative expenditures in 2006;

RESOLVED FURTHER, That the Director is hereby authorized and directed to request that the City Council, City of Minneapolis, appropriate \$ 1,512,293 to Fund CNR0-890-3550 for the purposes herein authorized, and to request that CPED immediately transfer \$1,512,293 to the NRP's City of Minneapolis Fund 230; and,

RESOLVED FURTHER, That the Director is hereby authorized to negotiate and sign any Professional Services Agreements or Memorandums of Understanding needed to secure the services in "Attachment B" to the November 16 Administrative Budget Proposal memorandum.

Pursuant to this resolution, I make the following recommendations for consideration by your committees:

RECOMMENDATION:

- (1) Approve the 2006 NRP Administrative Budget attached to this report in accordance with "Attachment A";
- (2) Amend the City of Minneapolis 2005 General Appropriation Resolution by increasing the Community Planning & Economic Development Department (CPED) agency Fund CNR—NRP Program Fund (CNR0-890-3550) appropriation by \$1,512,293 and request that CPED immediately transfer \$1,512,293 to the NRP's City of Minneapolis Fund 230;
- (3) Authorize the appropriate City officers to enter into any contracts or agreements needed to implement this request;

Sincerely,

Robert D. Miller
Director

		FY 2006						Attachment A		
		NRP Administrative Budget (Proposed)								
Codes	Description	2000 Actual ¹	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Budget	2005 Current ²	2006 Proposed	% Change 2006 vs 2005
4000-4900	Salaries	\$ 593,473	\$ 624,882	\$ 641,691	\$ 637,004	\$ 649,288	\$ 654,836	\$ 473,652	\$ 619,091	-5.46%
7800-7860	Fringe Benefits	\$ 117,529	\$ 111,281	\$ 127,811	\$ 131,919	\$ 136,104	\$ 141,764	\$ 102,980	\$ 150,303	6.02%
	Personnel Subtotal	\$ 711,002	\$ 736,163	\$ 769,503	\$ 768,923	\$ 785,392	\$ 796,600	\$ 576,632	\$ 769,394	-3.42%
5010	Advertising & Publications ³	\$ 17,051	\$ 5,238	\$ 7,833	\$ 27,484	\$ 23,195	\$ 21,000	\$ 38,924	\$ 18,000	-14.29%
5011	City Benefit Admin Fee ⁴	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,300	\$ 960	\$ 2,300	
5017	Phone Charges ⁵	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,600	\$ 6,360	
5020	Communications	\$ 19,338	\$ 15,748	\$ 17,850	\$ 19,475	\$ 15,347	\$ 11,000	\$ 7,074	\$ 10,000	-9.09%
5050	Printing	\$ 16,138	\$ 20,000	\$ 7,803	\$ 11,753	\$ 11,407	\$ 9,500	\$ 6,901	\$ 10,000	5.26%
5070	Professional Services	\$ 900,836	\$ 915,497	\$ 752,194	\$ 641,932	\$ 657,836	\$ 512,500	\$ 146,969	\$ 514,500	0.39%
5080	Rent/Office Furniture ⁶	\$ 71,951	\$ 74,212	\$ 87,282	\$ 91,056	\$ 87,449	\$ 82,562	\$ 72,518	\$ 85,039	3.00%
5130	Miscellaneous	\$ 20,242	\$ 34,784	\$ 7,250	\$ 10,484	\$ 3,797	\$ 4,000	\$ 897	\$ 2,500	-37.50%
6020	Legal Settlements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,750	\$ -	0.00%
6030	Cash Management	\$ -	\$ 1,935	\$ 164	\$ -	\$ -	\$ 10,000	\$ -	\$ -	-100.00%
6040	Transportation/Parking	\$ 336	\$ 303	\$ 189	\$ 440	\$ 421	\$ 300	\$ 451	\$ 1,700	466.67%
6050	Education ⁷	\$ 1,139	\$ -	\$ 39,155	\$ 26,850	\$ 48,750	\$ 15,000	\$ 15,750	\$ 17,500	16.67%
6060	Travel Expense	\$ 5,730	\$ -	\$ 529	\$ 2,501	\$ -	\$ 750	\$ -	\$ 750	0.00%
6080	Insurance ⁸	\$ 38,461	\$ 38,905	\$ 42,991	\$ 51,413	\$ 62,992	\$ 64,000	\$ 62,356	\$ 62,000	-3.13%
6100	Administrative Supplies	\$ 7,618	\$ 8,771	\$ 11,997	\$ 9,828	\$ 8,211	\$ 6,000	\$ 451	\$ 3,000	-50.00%
7880	Workers Comp ⁹	\$ 40	\$ 10,280	\$ -	\$ 3,927	\$ 3,414	\$ 4,400	\$ -	\$ 4,500	2.27%
8020	Equipment	\$ 2,600	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000	0.00%
8025	Hardware	\$ 21,190	\$ 15,384	\$ 5,168	\$ 17,814	\$ -	\$ 4,000	\$ 1,599	\$ 3,000	-25.00%
8035	Software	\$ 1,733	\$ 704	\$ 575	\$ 53	\$ 137	\$ 1,000	\$ -	\$ 750	-25.00%
	Non Personnel Subtotal	\$ 1,124,403	\$ 1,141,761	\$ 980,979	\$ 915,011	\$ 922,956	\$ 749,312	\$ 361,200	\$ 742,899	-0.86%
	Totals	\$ 1,835,405	\$ 1,877,924	\$ 1,750,482	\$ 1,683,934	\$ 1,708,348	\$ 1,545,912	\$ 937,832	\$ 1,512,293	-2.17%
¹ Expenditures in 2000 for Workers Comp were low because the majority of the premium was paid in December 1999.										
² Expenditures as of 10/12/2005										
³ Expenditures in 5010 and 5050 in 2003, 2004, 2005 and 2006 include Home Tour advertising, publications, printing and professional services.										
⁴ Added as a 2005 line item.										
⁵ Added as a 2006 line item. Previously paid to City under the MOU.										
⁶ Code 5080 includes surface parking charges, office rent and operating expenses.										
⁷ Beginning in 2002 Code 6050 includes support for the Community Leadership Institute at St. Thomas.										
⁸ Code 6080 includes D&O Insurance for neighborhoods and the NRP Policy Board. The D&O premium for 2005 covered 66 neighborhood organizations (for \$ 56,443) and the NRP Policy Board (for \$ 2,229).										
⁹ Workers Comp payment in 2001 includes payment for 2002.										
Note: Expenses for the Home Tour in 2003, 2004, 2005 and 2006 are included. Revenues from the Home Tour are not. In 2004 these revenues were \$35,778.75.										
Rev:11/16/05										

**FY 2006
NRP Administrative Budget
Contracts for Professional Services**

	FY 2006 (Proposed) Amount	FY 2005 Amount	\$ Change	% Change
Professional Services				
CPED (Formerly MCDA)	\$ 40,000	\$ 10,000	\$ 30,000	300.00%
City of Minneapolis ¹	\$ 190,000	\$ 180,000	\$ 10,000	5.56%
Office of Minnesota State Auditors	\$ 125,000	\$ 160,000	\$ (35,000)	-21.88%
Minneapolis Park Board	\$ 10,000	\$ 20,000	\$ (10,000)	-50.00%
Hennepin County	\$ 12,500	\$ -	\$ 12,500	
The Gavzy Group (PlanNet NRP)	\$ 7,500	\$ 15,000	\$ (7,500)	-50.00%
Kennedy and Graven	\$ 40,000	\$ 35,000	\$ 5,000	14.29%
Mike Wilson & Associates (Auditors)	\$ 30,000	\$ 30,000	\$ -	0.00%
MTN (Video Communications)	\$ 15,000	\$ 20,000	\$ (5,000)	-25.00%
I-Systems (PlanNet NRP and network support)	\$ 10,000	\$ 15,000	\$ (5,000)	-33.33%
County Computer Support Services	\$ 7,500	\$ 9,000	\$ (1,500)	-16.67%
Other Consultants	\$ 19,000	\$ 7,500	\$ 11,500	153.33%
CURA Training Program for Organizers	\$ -	\$ 2,500	\$ (2,500)	-100.00%
Web Site Design/Support	\$ 3,000	\$ 3,000	\$ -	0.00%
Eve Borenstein (Attorney)	\$ 2,000	\$ 1,500	\$ 500	33.33%
Minneapolis League of Women Voters	\$ 3,000	\$ 4,000	\$ (1,000)	-25.00%
Total	\$ 514,500	\$ 512,500	\$ 2,000	0.39%

¹ The functions in this line item are performed under a Memorandum of Understanding between NRP and the City.

Memorandum

Date: November 16, 2005

To: Policy Board Members and Alternates

From: Robert D. Miller, Director

Subject: Proposed 2006 Administrative Budget

At the October 24 Policy Board meeting I reviewed, with the Board, our proposed 2006 Administrative Budget. During that discussion I pointed out that some changes might be needed because of the discussions on Professional Services Agreements that were in process. We have just concluded our negotiations with Hennepin County to extend our current Memorandum of Understanding through December 31, 2009. After reviewing the County's extensive records on their costs to serve as our contract administrators for all social and human service programs, projects, services and activities of neighborhoods we have tentatively agreed to provide the County with a payment of up to \$12,500 annually for each year of the new MOU for providing this service. This amounts to less than 1/3 of the actual costs incurred in 2004 for this critically important support. The negotiated amount was not included in the budget proposal that was submitted to you in October. I have, therefore, appropriately revised the budget memo and attachments to include this additional Professional Services expense. This is the only significant change to the October budget memo.

Consistent with the revised budget proposal, I am recommending the following resolution for action and adoption by the Board:

RESOLVED: That the Minneapolis Neighborhood Revitalization Program (NRP) Policy Board (Board) approves and adopts the Neighborhood Revitalization Program Administrative Budget for Fiscal Year 2006, in the amount of \$1,512,293 as detailed in "Attachment A" to the November 16 Administrative Budget Proposal memorandum which is incorporated herein by reference;

RESOLVED FURTHER: That the Board authorizes the Director to spend up to \$1,512,293 in FY 2006 on administrative expenses generally in accordance with Attachment A, with total expenditures in the "Compensation" (4000-4900 and 7800-7860 account codes) and "Non-Compensation" categories to be limited to the amounts indicated in that budget, but with discretion to adjust amounts among the specific "Non-Compensation" line items as needed and between "Compensation" and the "Non-Compensation" category for "Professional Services" without further approval from this Board; and appropriates \$1,512,293 of NRP Program Moneys for administrative expenditures in 2006;

RESOLVED FURTHER, That the Director is hereby authorized and directed to request that the City Council, City of Minneapolis, appropriate \$ 1,512,293 to Fund CNR0-890-3550 for the purposes herein authorized, and to request that CPED immediately transfer \$1,512,293 to the NRP's City of Minneapolis Fund 230; and,

RESOLVED FURTHER, That the Director is hereby authorized to negotiate and sign any Professional Services Agreements or Memorandums of Understanding needed to secure the services in "Attachment B" to the November 16 Administrative Budget Proposal memorandum.

Memorandum

To: Policy Board Members and Alternates

From: Robert D. Miller, Director

Date: November 16, 2005

Subject: 2006 Administrative Budget Proposal

The 2005 fiscal year was an exciting time for NRP and the neighborhoods. It was a time of: change; challenges; progress; and projections.

Changes were made in the approach used to review and approve neighborhood action plans. The long established effort to obtain earlier jurisdictional input in the neighborhood action plan development process became policy and the approval process was shortened when the Policy Board, at the urging of neighborhoods and after its own review, eliminated the Management Review Team.

The Board also reviewed and changed the revenue threshold for requiring full audits. The threshold used by NRP has historically been significantly more stringent than the revenue requirement of the Federal government. By raising its standard, the Board continued to be far more rigorous in its auditing requirement but more realistic in assessing the cost benefits of requiring audits at lower revenue levels. The result was more effective use of the scarce audit resources of the Office of the State Auditor and reduced costs for NRP.

The Memorandum of Understanding with CPED and the City was significantly modified to change the method of assessing administrative fees to neighborhoods. Charges for City administrative management of contracts were changed from charges against the neighborhood to charges against NRP's administrative budget. Another major change was acknowledging, in the MOU and for the first time, the difference between contract administration and project management and incorporated into the fee assessment process in the MOU.

While these changes and challenges were occurring, Phase II began in earnest. Five Neighborhood Action Plans (NAP's) were approved in the final three months of 2004. In 2005, another 11 had been approved by September 1. Almost 23% of the 70 neighborhoods that will be eligible for Phase II funding have received approval for their NAP's and these plans accounted for 24.5% of the Phase II allocation for all neighborhoods. After more than three years of uncertainty and waiting, neighborhoods were finally fully engaged in Phase II. In Phase I it took 3 years to reach the level of NAP approval achieved in the first year of Phase II.

Progress also occurred on the issue of program income and its use. After a disagreement occurred between NRP and City staff about revised program income language included in a Lyndale neighborhood contract, the City Council passed a resolution in August clarifying and agreeing that program income generated from investment of neighborhood NRP funds should be reserved for use by the neighborhood for NRP eligible expenditures. The Policy Board has

approved a Program Income Policy and an amendment to the City NRP ordinance is being drafted by City staff to incorporate the policy statements in their resolution into the organizational and policy documents for the City.

The excitement of the neighborhoods was tempered, however, by projections about the future. In June, the City's Development Finance Division issued revised revenue projections for the Common Project that significantly decreased the future revenues projected for NRP. The actual revenues for NRP from the Common Project in 2004 were only 67% of the amount the Division had projected in March of 2004. The revised projections by the City for 2005-2008 showed NRP revenues only from the interest on the reserve set aside to pay for approved action plans. The amount contributed from the Common Project was projected to be \$0 for each of those four years and the total revenues projected for 2005-2009 were more than \$20 million less than the projections upon which the 2004 allocations to neighborhoods were based. The City agreed to reexamine the projection methodology and the data used to determine market valuations. The results of that reassessment still show a revenue decline from the 2004 projections, but the drop is now less than half of the amount projected in June 2005.

In June the Policy Board also established a Task Force to examine the future of NRP and assess possible funding options. The initial work of the Task Force was presented to the Board on September 26 and the final report is expected in December.

On November 20, 2000 the Policy Board approved a blanket appropriation of \$1 million to assist neighborhoods eligible for Phase II with their Phase I reviews and development of their Phase II plans. This fund was increased by \$665,711 in October 2001. As of September 22, 2005, 29 neighborhoods had requested and received appropriations from this fund. A total of \$1,188,189 has been allocated from the appropriation of \$1,665,711 to help neighborhoods with their Phase II plan development expenses. All distributions from this fund are charged against the Phase II allocation of the receiving neighborhood.

Training of residents and staff has been a priority of NRP's since 1993. Between the first class held in January 1993 and the "Contracting and Implementing the Plan" class held on December 11, 1997, NRP conducted more than 120 training sessions that were attended by almost 2,500 people. As neighborhoods became fully engaged in developing and implementing their Phase I plans, attendance at training sessions dropped significantly and the need for an extensive education program declined.

Neighborhoods, however, began asking for more help in 1999 and we added neighborhood specific assistance to the resurrected training program. Last year NRP conducted 16 citywide workshops attended by 150 residents and 7 workshops for individual neighborhood boards (with more than 100 participants).

In addition we trained neighborhood leaders, especially minority group members, at the Community Leadership Institute. To date, more than 200 individuals have participated in CLI. Of these participants, almost 60% are minorities.

NRP initiated the Community Leadership Institute (CLI) in 2000 to help interested city residents learn about leadership and to help them be better contributors to their neighborhoods and city. This fall, CLI initiated a major reconstruction of its offerings based on the feedback of alumni and focus groups of participants.

This fall, CLI is being offered as a neighborhood specific training program available to interested neighborhoods that commit their sitting board members, emerging leaders and other interested residents to a 12-week comprehensive training curriculum that provides the skills and information they need to become more effective leaders. Stevens Square volunteered to pilot the new approach and the fall session is now almost half over. Participation has far exceeded expectations and a review of the pilot will be conducted to determine if any changes are needed before other neighborhoods are offered the opportunity to participate.

CLI is offered collaboratively by NRP and the Center for Nonprofit Management –University of St. Thomas and has received financial support from the General Mills Foundation.

Phase I Accomplishments

NRP is about producing real change. As Phase II begins, it is appropriate to look back and recognize the investment that NRP and the neighborhoods have made in the City. The Policy Board declared 2005 to be the Year of NRP and celebrating the accomplishments of the program's first 15 years is a fitting way to close the year.

Attached to this budget presentation are two documents that summarize NRP over the past 15 years. The first ("A Review of Phase I Investments") looks at the big picture. Highlights include:

- Investment of more than \$227 million in neighborhood improvement
- Housing and Housing Related commitments of more than \$108 million
- Economic Development commitments of almost \$35 million
- Commitments to Parks, Schools and Libraries of more than \$34 million
- Crime and Safety commitments of more than \$9 million

The graphs in the attachment further break down the investments in each program area by the types of programs the neighborhoods funded in their plans.

- **Housing and Housing Related** investments were concentrated in the Rehab and Preservation of existing properties (68% of the total) but Removing Blight, Encouraging Home Ownership, Rental Housing programs and support for New Housing Development were also priorities (25% of the total).
- **Economic Development** was focused on Business Finance and Redevelopment (47%) and Commercial Revitalization (38%). **The Economic Development and Housing program areas have accounted for 63% of NRP's investments.**

- Youth and Teen programs, projects, services and activities (20%) and Community Health Services (19%) were the areas of emphasis in the **Human Services** category. Human Services accounted for 9% of NRP's total investments.
- By making an investment of more than \$11 million in physical improvement to the City's **Parks and Recreation** areas (\$5 million for Park Buildings and \$5 million for improvements to Fields, Playgrounds and Equipment) neighborhoods made a difference in the quality of these important community assets.
- Facility improvements received 87% of the **School and Libraries** commitments. These public places are of major concern to residents and the level of neighborhood investment showed that these were neighborhood priorities.
- Very few dollars (only \$10 million or 4.4% of the overall total) were spent on neighborhood staff and **Community Building**. Over 86% of these resources went to Community Space and Programs, Communication, and Community Organizing. These were investments in outreach and efforts to encourage resident participation.
- **Crime Prevention** emphasized Lighting and Security Improvements (51%), Community Crime Prevention (22%), and Police Services (20%) and amounted to almost \$10 million. These figures do not include the Phase II set aside by the Policy Board for additional police hours.
- Open Spaces and Habitat (49%) and Water and Air Quality Improvement (27%) programs, projects, services and activities were the focus of the **Environment** commitments.
- **Transportation and Infrastructure** focused on Traffic Flow and Safety (51%) and Bicycle, Pedestrian and Transit (34%) programs, projects, services and activities.

The second attachment provides short summaries of some of the projects, programs, services and activities included in neighborhood action plans. The listing deliberately excludes many programs (especially housing or housing related) that were conducted in multiple neighborhoods because they show nothing new, different or unique. With approved neighborhood action plans including more than 4,600 strategies and almost 1,800 being implemented, there were many significant and worthwhile project, programs, services and activities to include. The summary shows the breadth and variety of neighborhood priorities and the creativity applied by residents to address their issues and concerns.

Here are just a few samples of the impressive accomplishments of the neighborhoods:

- **Armatage Park/School Complex** – **Armatage** residents invested \$717,000 of NRP funds in the \$2.8 million Armatage Park and School expansion and enhancement that opened in January 2000. *The Armatage Neighborhood Association (ANA) partnered with the School District and Park Board to build a new gymnasium and playground joining Armatage Community School and Armatage Park Neighborhood Center. NRP investments were made in: the feasibility study*

(1996-97); park and school construction (1998-2000); and a new playground design and installation (1998-2000).

- **Central Avenue Improvements– Audubon, Holland and Windom Park** invested NRP funds in pedestrian safety lights for Central Avenue, a Business Watch Program to keep crime down, and Central Avenue identification banners with a new Central Avenue logo. *Perhaps the most visible of the new Central Avenue improvements are the 95 low-level pedestrian scale street lights that span from 18th to 27th avenues NE. The lights create a safe, pedestrian friendly environment and link Central Avenue to rear parking areas.*
- **Audubon Home Improvement Program** – The **Audubon** Neighborhood Association (ANA) invested over \$1.2 million of its NRP funds in their home improvement program.
- **Bancroft Housing Programs** – **Bancroft** invested more than 64% of its \$2 million NRP allocation in a home improvement loan and grant program, a first-time homebuyer program, and a troublesome vacancies housing program. *Together, these three programs directly benefited 13 percent of Bancroft’s 1,415 households.*
- **Phelps Park Community Center** – Residents in the **Bancroft, Powderhorn Park and Bryant** neighborhoods worked together to create and invest in a joint-use facility shared by the Boys and Girls Club of Minneapolis and the Minneapolis Park and Recreation Board. *The neighborhoods funded construction of the new gymnasium and computer center with the Boys and Girls Club. Both the Boys and Girls Club and the Park Board provide staff and programming at the facility. Bancroft’s NRP investment in the park renovation and crosswalk improvements for safe crossing on Chicago and Park Avenues (1995-96) was \$220,000.*
- **Beltrami Park Improvements** – **Beltrami** used some of their NRP funds to pay for major improvements to Beltrami Park. *Improvements included new playground equipment, a soccer field, and a ventilation system for the Beltrami Park building.*
- **Eastside Neighborhood Services** – Eastside Neighborhood Services (ESNS) has been an important part of Northeast Minneapolis since 1915. **Bottineau** residents invested \$200,000 of NRP funds to support the construction of a new \$7.8 million Eastside Neighborhood House two blocks from its original home. *The new facility, which opened for business in August 2001, allowed ESNS to: increase its childcare capacity from 70 to 105 children, provide much needed space for ESNS’s Menlo Park Alternative High School, provide better physical support for the multitude of senior services that ESNS offers, and house a food shelf for families in crisis, employment services, family intervention programs and a Minnesota Care program.*
- **Hosmer Library** – Residents living in five Minneapolis neighborhoods (**Bryant, Central, Kingfield, Lyndale, and Powderhorn Park**) invested \$440,000 of their NRP funds in the renovation and restoration of the Hosmer library. *The major facility improvements at the rejuvenated 90-year old library included a computer lab and tech center, and community meeting room. Library patronage at Hosmer increased 100 percent over each of the first four years after the renovation was completed in 1997.*

- **Anwatin Computer Facility – Bryn Mawr** was one of the first NRP groups to fund a computer center for their area school. *Over 20 new computers were funded for school children and community access.*
- **Artists on Chicago** – Residents living in the **Powderhorn Park and Central** neighborhoods invested \$450,000 of their NRP funds in this 10-unit scattered site home-ownership housing project designed for artists. *All of the studio spaces, which are on the street side of the complexes, have patio doors that open to the street, thus creating a storefront appearance. By design, artists living and working in the units help promote community safety by acting as extra eyes on the street. Three of the housing units were sold to homeowners at or below 50 percent of the area's median income, three units to buyers below 60 percent of median income and two units to buyers below 80 percent of median income. The last two adjoining units are a rental/owner-occupied duplex.*
- **Home Improvement Program – Columbia Park** invested \$200,000 of their NRP funds in a home improvement program that leveraged an additional \$125,000 of private investment. *Eighty-six homes were improved through the program, with improvements ranging from new roofs and siding to sidewalk and foundation repairs.*
- **Midtown YWCA** – Residents in four Minneapolis neighborhoods (**Powderhorn Park, Corcoran, Longfellow and Standish-Ericcson**) invested more than \$1 million of NRP funds in the new \$21 million Midtown YWCA Community and Urban Sports Center that provides youth, childcare and fitness programs to thousands of residents. *The Midtown YWCA opened on August 1, 2000 and has helped fuel development of a previously neglected stretch of Lake Street.*
- **Corcoran Roof Replacement Education Program** – The **Corcoran** Neighborhood Organization conducted a major public education and outreach campaign to inform residents in the neighborhood that their roofs may have been damaged in a May 15, 1998 hailstorm. *Because the entire area was declared a Catastrophic Area by the insurance industry, 70 percent of the roofs – including all owner-occupied, rental properties and churches – have been replaced. In addition, many homeowners also received new siding, painting and windows.*
- **Lake of the Isles Improvements** – **East Isles** helped fund rehabilitation of flood damaged areas around Lake of the Isles and supported improvements to the lake and surrounding park grounds. *East Isles was one of the major partners in the multi faceted program to improve the walking and biking paths, stabilize the shoreline and plant appropriate trees,*
- **East Village Apartments – Elliot Park** NRP funds totaling \$500,000 helped jump start the \$30 million East Village mixed-income, mixed-use housing development project. *East Village consists of 179 units, a Dunn Brothers Coffee Shop, an underground parking garage, a Dairy Queen, and a Mini-Market. Forty of the housing units are affordable to households with incomes at or below 50 percent of the Metro Median Income. East Village is the first market-rate housing built in Elliot Park in decades.*

- **Linking for Success** – The **Folwell** Neighborhood Association developed the Linking for Success program to provide positive interactions between high school and middle school students, to encourage regular school attendance and improve academic performance. *The program pairs 9th, 10th and 11th graders with 6th, 7th and 8th graders. The long term objective of the program is increasing high school graduation among at risk populations.*
- **Nicollet Avenue Bridge** -- The **Fuller Tangletown** neighborhood invested more than \$1.3 million to slow traffic on the bridge and to increase pedestrian safety. *The Nicollet Avenue bridge over Minnehaha Creek had the reputation of being the fastest bridge in the City, with recorded vehicle speeds reaching 60 mph. This project reduced the bridge driving lanes from 4 lanes to 2, widened the sidewalks, installed new bridge lighting and added 4 pediments with the Tangletown “T” logo. Pedestrian scale street lights were added in 2003-2004 to Nicollet Avenue with an NRP investment of \$53,000 to complete the streetscape.*
- **Neighbors for Safe Driving Campaign** – NRP funds were invested in a highly successful and visible traffic calming campaign launched by residents in the **Fulton and Lynnhurst** neighborhoods along 50th Street South. *Traffic calming measures aimed at reducing traffic speeds and volume are a priority in 36 NRP Neighborhood Action Plans. One of the most innovative and visible of these traffic calming projects was the Fulton/Lynnhurst "Neighbors for Safe Driving" campaign. Developed in collaboration with the Minneapolis Police Department, this education and enforcement campaign used lawn signs, billboards, bumper stickers, newsletters, and a radar gun to encourage drivers to slow down. The campaign changed driver behavior along 50th Street South and helped build a greater sense of community.*
- **Teen Job and Opportunity Fair** – The Teen Job and Opportunity Fair (TJOF) is a free event organized and sponsored by the **Hale, Page, and Diamond Lake** neighborhood association that offers Minneapolis youth ages 14-18 employment, volunteer, and workshop opportunities in one convenient location. *For seven years, employers and service agencies have used this opportunity to connect with over 700 prospective youth employees and volunteers at South High school. Almost 60 organizations are involved with planning, financing, publicizing and conducting the Teen Job and Opportunity Fair.*
- **Harrison Community Center** – Residents of **Harrison**, through the neighborhood association, collaborated with the Minneapolis Public Schools and the Minneapolis Park and Recreation Board to raise public and private funds for construction of a replacement Level 5 school and a single building to house the programs of all three partners. *The school/park/neighborhood facility is three-times the size of the original facilities used by the partners and the joint use allowed unification of the park and more green and play space for residents. The new building will be the home for the Harrison Neighborhood Association for the next 20 years. The Harrison Neighborhood Association allocated \$300,000 of its NRP dollars for the project and conducted a capital campaign that raised \$400,000 from private sources-- bringing the total monetary contribution from the neighborhood to \$700,000.*
- **Hawthorne Homestead Program** –Under this **Hawthorne** NRP supported initiative, 25 new homes were built for owner occupants in a neighborhood in which little new construction had previously occurred.

- **Jordan's Home Improvement Programs** - Nearly \$8 million in NRP funds (including program income) has been invested in **Jordan's** housing stock through revolving loans, purchase / rehab loans and subsidies and major housing redevelopment efforts. *Even though home improvement programs have become commonplace in NRP, the programs in Jordan are among the best. Jordan's NRP funds have been used to improve over 400 properties. The program is structured so that it helps those who need it most; the annual income for recipient's has averaged under \$30,000.*
- **Environmental Programs** – The **Kenny** neighborhood invested \$12,240 in NRP funds and raised another \$60,000 from DNR, MN OEA, CURA and the Minneapolis Foundation to develop a wetland management plan for Grass Lake. *Grass Lake, a Public Works asset, is an important hydrological and environmental amenity in Kenny. Many volunteer hours were spent removing buckthorn and other non-native trees and vegetation as part of the wetland management plan. The neighborhood made an additional investment of \$10,000 in NRP funds for new plantings in 2003-2004.*
- **Nicollet Avenue Streetscape (40th to 46th Street South)** –The **Kingfield** neighborhood provided \$222,796 in NRP funds to the Nicollet Avenue repaving project to add pedestrian scale lighting along Nicollet and wrap the lighting around the corners at intersections. NRP funds covered approximately 78% of the lighting costs. *Neighborhood investment in the repaving project also covered new trees and sidewalk improvements.*
- **George Hill and Alice Rainville (GHAR) Square** – The **Lind-Bohanon** Neighborhood Association (LBNA) used \$112,162 of their NRP funds to clean up and plant a blighted and polluted site located at 6th Street North between North 51st and 52nd Avenues. Numerous trees were planted to make this former eye sore a green and shady urban forest.
- **Partnerships** – **Lind-Bohanon** formed partnerships with other Camden Community neighborhoods to accomplish two other major projects: the relocation of the Camden Physicians Clinic (\$12,268 in LBNA NRP funds) to the old Camden Theater site and the construction of 75 units of senior housing at Shingle Creek Commons (\$50,000 in NRP funds) on the Humboldt Greenway.
- **Linden Hills Library** - NRP provided \$138,000 for a restoration and renovation of the **Linden Hills** Library that included a new elevator and an accessible front entrance. *NRP funds were also used for an enhanced children's room, an increase in audiovisual materials, and a new neighborhood history collection.*
- **Milfoil Harvester** – **Linden Hills** invested in a milfoil harvester to address the quality of Lake Harriet. The Milfoil harvester was purchased by the Park Board using \$67,000 in Linden Hills and Fulton NRP funds and has helped keep this important and frequently used lake from being overrun with invasive vegetation.
- **Housing Programs** – **Logan Park** invested \$855,800 of NRP funds in its home improvement programs. *This investment has leveraged \$667,200 of private funds for a total investment of \$1,523,000, As a result, 206 homes have been rehabilitated through the programs, including some of the worst properties in the neighborhood.*

- **Brackett Park Recreation Center and Park Renovations – Longfellow** residents invested \$677,000 of NRP funds to help bring a new \$1.2 million recreation center to Brackett Park. *The 5,300 square-foot recreation center replaced a 70-year old park structure that was in need of major renovation. In addition, the neighborhood used NRP funds to create and support community programs for children, families, and seniors at Brackett Park.*

- **Nicollet Avenue Streetscape: EAT STREET – The Loring Park, Stevens Square, Loring Heights and Whittier** neighborhoods invested more than \$100,000 in NRP funds in planning for the renovation of Nicollet Avenue from 15th Street to 28th Street. The planning investment and implementation funds from the three neighborhoods resulted in the leveraging of additional public and private funds that brought new trees, new sidewalks, decorative iron and brick railings, and pedestrian level street lighting to a 1.2 mile stretch of Nicollet Avenue. *The former “no man’s land” was transformed into “Eat Street”. When EAT STREET officially opened in 1997, it completely changed the once barren Nicollet Avenue into one of the hottest restaurant and food-oriented corridors in all of Minneapolis.*

- **Loring Park Renovation** – Residents in the **Loring Park** neighborhood invested more than \$1.1 million of NRP funds to renovate Loring Park. The improvements included: revitalizing the pond to stop it from losing water; adding safer bike and pedestrian paths; new lights, benches and landscaping; relocation and renovation of the historic office of the park board’s first superintendent; and the creation of a formal “Garden of the Seasons” at the park’s center. *When first developed in 1883 Loring Park was known as Central Park. Today the park still serves as the Central Park of the City of Minneapolis. Both residents and non-residents use the park every day as a place to have a lunch break, take a stroll among the flowers or attend an event. The hundreds of people who were empowered through NRP to create a vision for a renovated Park and then see that vision become reality did so for the benefit and enjoyment of all the residents of Minneapolis who use and visit the park.*

- **Leveraged Improvement Program** – The **Loring Park** neighborhood invested \$600,000 in its Leveraged Improvement Program (LIP) to renovate residential properties and encourage private investment. *More than 100 separate projects were completed throughout the neighborhood in over 40 buildings with a combined total of over 2,000 units. The program was developed and managed by a volunteer committee of neighborhood residents and property owners.*

- **Hennepin Ave. Revitalization** – The **Lowry Hill** neighborhood organized a 7-neighborhood planning process that produced the Hennepin Avenue Strategic Plan and over \$550,000 of NRP investments along Hennepin Avenue, from Douglas Avenue to 28th Street. *Sustaining and enhancing the spirit of Hennepin Avenue is a major priority for several neighborhoods participating in the NRP. Improvements included new street infrastructure such as pedestrian-level lighting, tree grates, benches, sidewalk improvements, and reconfigured entry points to the Avenue. The Hennepin Ave Strategic Plan also provides a detailed vision for the corridor to guide future development.*

- **Block Clubs Deluxe – Lyndale**’s Block Clubs Deluxe (BDC) is an innovative collaborative program developed between the Lyndale Neighborhood Association and the Fifth Precinct to expand traditional block club organizing. *BCD recruits a broad-based leadership team on each block comprised of up to eight leaders who encourage neighborhood participation and serve as resources. Since 1996, the program has recruited and maintained 140 block contracts with leaders coming from all facets of the neighborhood*
- **Mujeres Latinas en Accion** – The 79 Latino women and their families who are involved with *Mujeres Latinas en Accion* in **Lyndale** have created a powerful support network within Lyndale’s Latino community. *Mujeres Latinas en Accion* focuses on building community by: creating learning opportunities on immediately relevant topics such as domestic violence, fire prevention and safety, tenants rights etc.; celebrating and sharing Latino culture with non-Latino neighbors; and supporting Latino women in their efforts to achieve economic independence. *By taking this holistic approach, the isolation and alienation that was felt by Latino women five years ago has disappeared. Relationships have been established that never existed before and Latino women have become more invested in the community.*
- **Tree Planting – Lynnhurst** invested over \$52,000 of their NRP funds for tree plantings on park land in the neighborhood. *The prospects for survival were enhanced by neighborhood volunteers who participated in the “Adopt a Tree” program and watered the new trees.*
- **Southeast Seniors Program** – Residents in the **Marcy-Holmes, Southeast Como and Prospect Park** neighborhoods invested \$128,140 from Phase I and Phase II of NRP in the Southeast Seniors Living at Home Block Nurse Program. *The program enables seniors in the three neighborhoods to continue living in their own homes rather than face moving into assisted-care facilities. Seniors participating in the program can access in-home nursing services, certified home health aides, homemaker assistance, and companionship from visiting volunteers. In addition, the program helps seniors with transportation, meals, and other chores.*
- **Storefront Matching Grant Program** – The **Nicollet Island East Bank** neighborhood established the St. Anthony Heritage Storefront Improvement Fund using \$155,748 in NRP funds. Improvements were made to more than twenty businesses. *The funds acted as seed money and the resulting improvements encouraged other development. The commercial area has improved dramatically.*
- **Lake Nokomis Improvement Project** –**Nokomis East** invested \$350,000 of their NRP funds to carry out several initiatives designed to address environmental concerns in the neighborhoods. *Residents established the Blue Water Commission in partnership with two other neighborhood groups, the City of Minneapolis, the Minneapolis Park and Recreation Board, the Minnehaha Creek Watershed District, and Hennepin County to oversee these efforts. The Commission issued a report that has served as the blueprint for addressing Lake Nokomis water quality concerns. Three wetland ponds were constructed as part of the plan near the southwest part of Lake Nokomis to help capture contaminated runoff before it enters the lake.*

- **Home Improvement Program** – The neighborhood allocated \$265,000 of NRP funds for exterior and interior improvements to older homes in **Northeast Park**. 43 grants totaling \$120,000 were made to lower income households, and 77 matching grants totaling \$145,000 were made to other households in the neighborhood. Improvements included: new driveways, sidewalks, roofs, furnaces, painting, siding, doors, and windows.

- **Single Family Housing Rehab Program** - The **Near North/Willard Hay** NRP housing committee invested nearly \$1.5 million of NRP funds to acquire approximately 35 vacant properties throughout the neighborhood, renovate them, and resell them to new homeowners. *When residents from the Near North and Willard-Hay neighborhoods developed their housing plan, one of their primary goals was to return vacant properties to homeownership. Besides costing the city thousands of dollars in lost tax revenue, vacant properties depress the value of neighboring properties and discourage private investment and economic development.*

- **Home Improvement Loans** –Northside Neighborhood Housing Services has used \$1.2 million dollars of **Near North Willard Hay** NRP funds to make \$5 million in home improvement loans to neighborhood residents. *The 325 loans, which average about \$15,000 per home, have generated approximately \$3.3 million in exterior improvements to single family homes, \$1.5 million in interior improvements to single family homes, and \$200,000 in improvements to multi-family properties.*

- **Franklin Avenue Streetscape** - Residents in the **Phillips** neighborhood invested \$300,000 in NRP funds in a \$3.8 million Franklin Avenue Streetscape renewal project for the blocks from Chicago to 16th Avenues. *The project includes new pedestrian lighting, 80 new trees, benches, perennial flowerbeds, bike racks and widened sidewalks inlaid with colorful graphic designs depicting the many cultures represented in the Phillips neighborhood. The streetscape improvements have already spurred additional development in the area.*

- **Mercado Central** –The **Powderhorn Park and Phillips** neighborhoods invested \$327,000 of their NRP funds in Mercado Central -- a cooperative marketplace owned and operated by 47 Latino merchants. *The Mercado, with its wide variety of Latin American foods and wares, is designed to simulate the outdoor markets found in many Latin American cities. Vendors make a small payment each month for use of a 10-foot by 12-foot shop. Mercado merchants also have access to a number of in-house business and technical support services that help reduce the risk of failing.*

- **Pratt School Renovation and Reopening** – **Prospect Park** efforts to foster community-based learning led to the reopening of Pratt School in 2000 after it had been closed for 18 years. The neighborhood invested \$437,000 of their NRP funds in major improvements including the addition of an elevator to increase accessibility, a playground, a “village green,” a performance amphitheater, and an update to the facility’s mechanical systems and grounds.

- **26th and 26th Redevelopment** –The **Seward** neighborhood invested \$625,000 of their NRP funds to acquire and redevelop commercial/industrial properties at 26th and 26th, a key intersection at the southwest corner of the neighborhood. *With assistance from Seward Redesign, NRP and MCDA, Koeschel Peterson Advertising and Design and The New French Bakery relocated and expanded their business operations at the intersection -- replacing blighted*

and incompatible uses with growing businesses that generate increased taxes and jobs. Funds were used to help with a variety of costs associated with site assembly and landscaping enhancements.

- **Franklin Avenue Redevelopment** –The neighborhood invested over \$550,000 of **Seward** NRP action plan funds and \$260,000 of NRP Transition Funds to help existing neighborhood businesses grow and new businesses come in and enhance the overall character of this important neighborhood corridor. *The critical theme of this investment has been helping existing businesses expand and become more profitable. NRP funds have been used for redevelopment planning, streetscape enhancements, parking improvements, gap financing and building improvements to help the following businesses: Blue Nile Restaurant, Seward Coop Grocery, Welna Ace Hardware, West Bank Karate School, Northern Clay Center, the Playwrights Center, Zipp's Liquor, Smiley Point Clinic, and Crown Video.*
- **Home Improvement Programs** – The **Seward** neighborhood has invested nearly \$2 million of their NRP funds in a wide variety of housing improvement programs. *This investment has leveraged an additional \$7 million worth of improvements to the housing stock.*
- **Northeast Housing Resource Center** - The Northeast Housing Resource Center, located just south of Sheridan at Catholic Eldercare, helps **Sheridan** residents with their home improvement needs. The neighborhood is providing more than \$750,000 to help owners improve their Sheridan properties.
- **Shingle Creek Commons** –The **Shingle Creek** Neighborhood Association (SCNA) partnered with other Camden Community neighborhoods and provided \$150,000 in SCNA NRP funds for the Shingle Creek Commons senior housing apartments on the Humboldt Greenway.
- **Stevens Community Apartments** –The **Stevens Square and Loring Heights** neighborhoods invested \$500,000 of NRP funds and teamed with private property owners to renovate and rehabilitate 618 units in 23 low-income apartment buildings. *The neighborhood leveraged nearly \$15 million in additional private and public monies to assure that quality affordable housing would remain in one of the most densely populated neighborhoods in the city.*
- **Central Cities Neighborhood Partnership Community Conferencing Program** – **Stevens Square** initiated a multi-neighborhood collaboration with **Loring Park and Elliot Park** that resulted in the creation of a restorative justice program for the three neighborhoods.
- **Van Dusen Mansion Renovation** – The **Stevens Square** Community Organization (SSCO) saved the Van Dusen mansion from demolition and contributed to its restoration. The neighborhood invested \$300,000 of its NRP funds in the renovation of this historic neighborhood landmark. Turning around this single property began the revitalization of the neighborhood. *Built in 1894 by grain industry mogul George Van Dusen, the mansion has been home to a host of private owners, a school house and Aveda's Horst Institute. Nearly a century after its construction, however, the grand landmark was scheduled for demolition. Deemed too costly to renovate, the site sat vacant for over a decade while a small homeless population took up unofficial residence. Vandals stripped the abandoned property and the Van Dusen fell quietly into ruin. The project received a 1997 Heritage Preservation Award and a record-breaking*

5,000 visitors toured the mansion during the Tenth Annual Minneapolis-St. Paul Home Tour. Once slated for the wrecking ball, the Van Dusen now sits proudly on the National Registry of Historic Places.

- **Victory Park Improvements** – Residents in the **Victory** neighborhood proved just how committed they are to the City by investing their time, energy, and \$195,000 of NRP funds in a project to renovate their neighborhood park. *The Victory neighborhood partnered with the Park Board and the Minneapolis Schools to: purchase new playground equipment, make major field improvements and design and implement a major landscape redesign.*
- **Camden Physicians** – The **Webber-Camden** neighborhood partnered with the Victory and Lind-Bohanon neighborhoods in relocating the Camden Physicians Clinic to the old Camden Theater site on Lyndale Avenue North. *This action kept the only private clinic practice clinic serving north Minneapolis from going to the suburbs.*
- **Whittier Community School of the Arts** – Residents in the **Whittier** neighborhood invested more than \$2 million in NRP funds to acquire and clear land adjacent to Whittier Park, fund a renovation of the park, and construct a new gymnasium that is now shared by the school, park and community. *The Whittier Alliance designated \$400,000 of their NRP funds to facilitate the construction of a new school building to be built adjacent to the Whittier Park Center. The park center was in need of renovation and a new gymnasium was built to link the school and park buildings using \$1,900,000 in NRP funds. The neighborhood's NRP investment leveraged \$15,000,000 from the Minneapolis Schools when the new elementary school was constructed. This state-of-the-art complex, which opened in 1997, has become a vital asset to the community and brought a new school to a neighborhood with 3,300 children. NRP also helped assure that a Neighborhood Early Learning Center (NELC) would be part of the school/park complex.*
- **Bookmobile** – **Whittier** invested \$120,000 of its NRP funds in partnership with the Minneapolis Library Board to acquire a new Bookmobile to serve Whittier and other neighborhoods of the City. **Prospect Park** helped pay for the books.
- **Windom Community Center** – Residents in the **Windom** neighborhood invested \$1.7 million of NRP funds in a \$3 million Windom Community Center. The project provided new classrooms, meeting rooms, media center, gymnasium, and park multi purpose rooms. *The Windom Community Center is a bricks and mortar, dream come true for the residents of the Windom neighborhood. The project was a partnership between the Windom Community Council and Task Force, the Minneapolis Public School Board, the Windom Open School Site Based Management Team, the Minneapolis Park and Recreation Board, and the Volunteers of America. The design and final construction produced a beautiful addition to the Windom Open School, which is architecturally compatible with the historic school and functionally efficient for use by the School, the Park Board, and the Windom Community Council.*
- **Home Improvement Programs** – **Windom Park** neighborhood residents have invested \$183,000 in home improvement grants and more than \$725,000 in home improvement loans. These programs have enabled the neighborhood to nearly eliminate houses in substandard condition.

The Review of Phase I Investments by Program Area and Phase I Highlights by Neighborhood show a small part of the impact that NRP's significant investment is having on the livability of City of Minneapolis neighborhoods.

Financial Condition

NRP's cash flow position is strong but declining. For the third year in a row the audited end of year fund balance for NRP on December 31 declined. The 2004 ending balance of \$49,093,002 was a decline of \$ 8,953,217 from the same figure at the end of 2003. **The fund balance has dropped by \$ 13 million since January 1, 2001.** Annual expenditures have been exceeding annual revenues since 1995. In the early years the difference was small (usually less than \$2 million) but the gap has increased significantly since 2001. The fund balance will continue to decline in the future because of the level of revenue projected for the program. The 2004 year end balance was the lowest since 1993.

The cash position of the program is actually much worse than the reserve balance would appear to indicate. Of the \$49 million in the reserve, more than \$10 million is neighborhood specific program income being held by the city for a specific neighborhood.

As of December 31, 2004 NRP had received \$280,744,554 in revenues (including the \$10 million in neighborhood program income) since the program began in 1990 and expended \$228,278,009. The revenue figures include the Phase II transfers of \$20 million to NRP in 2001, \$11 million in 2002, \$10,749,790 in 2003 and \$4,751,683 in 2004. More than 15% of the 2004 revenues were from interest earned on the reserve. In FY 2004 NRP expended more than \$11 million to help neighborhoods improve.

NRP funds are continuing to be spent on neighborhood priorities. In 2004, almost 85% of the NRP funds expended were on the development of neighborhood action plans or implementation of the strategies in approved plans.

2006 Budget Request

The revised 2006 Budget proposal continues our efforts to responsibly reduce our central office budget to maximize the dollars going to neighborhoods. **This year's budget request is \$ 1,512,293 or 2% less than the \$1,545,912 in NRP's 2005 budget request and 11.5% less than actual expenditures in 2004.** The major reason is the continued reductions in salary line item. Personnel expenditures include a 2% Cost Of Living Adjustment consistent with the adopted guidance of the City Council.

Attachment A shows actual expenditures for 2000, 2001, 2002, 2003, 2004, the 2005 budget and expenditures through October 12, and the proposed budget for 2006. It also shows the percentage of change between the 2006 Proposed Budget and the amended 2005 Budget. The 2006 budget continues the effort that we initiated in 1996 to gradually and deliberately reduce the administrative expenditures of the NRP office.

The staff complement request is for an authorized FTE of 10. This is one less than our complement in 2005. NRP management has worked diligently to reduce the staff complement without layoffs or terminations. The result of this planned downsizing has been a reduction in our staff complement from 24 in 1995 to the proposed 10 (a reduction of 58.3%). The last person hired by NRP was hired on August 16, 1999.

Staff efforts in 2005 will continue to focus on preparing neighborhoods for Phase II, developing Phase II plans, and creating an implementation monitoring and oversight system.

A big part of NRP's Administrative Budget since 1995 has been expenditures for Professional Services. The largest percentage of these expenditures (almost 20% of NRP's total administrative budget since 1995) has been for MCDA/CPED services. Another major category of Professional Services expenditures has been services that directly support neighborhoods (i.e. audits, D & O insurance, and training and education).

The revised CPED Policy on Fees for NRP Implementation Activities adopted this year after a new MOU with the City had been negotiated returned responsibility for paying CPED and City NRP contract administration related costs to NRP's central administrative budget. As a result, I am recommending that the Professional Services items for CPED and the City be increased to help pay for these expenses. The line item for city support includes coordinating contract administration (including the drafting of contracts, processing of payment requests, preparation of contract amendments and completion of outcome reports) and legal review of contracts for form and substance.

The Professional Services line item detailed in Attachment B accounts for 34% of the 2006 Budget Proposal. A number of the Professional Services are for costs that would otherwise be paid by neighborhoods. The payments to the Office of the State Auditor and Mike Wilson and Associates reflect audit costs for neighborhoods. The payments to CURA and Eve Bornstein are for neighborhood training and legal support.

Fifteen thousand of the \$17,500 for education (Code 6050 in Attachment A) is for support of the Community Leadership Institute and Code 6080 (Insurance) includes the estimated premium of \$60,000 for Directors and Officers Insurance for neighborhoods. By purchasing these services through NRP's central office we pay better prices and secure services that would otherwise not be available to neighborhoods. Support will continue to be provided to MTN, the City Finance Office, and the Park Board for services that they provided to NRP and the neighborhoods.

Recommendation

Based on my assessment of the needs of the NRP and the neighborhoods, I recommend passage of the following resolution:

RESOLVED: That the Minneapolis Neighborhood Revitalization Program (NRP) Policy Board (Board) approves and adopts the Neighborhood Revitalization Program Administrative Budget for Fiscal Year 2006, in the amount of \$1,512,293 as detailed in "Attachment A" to the November 16 Administrative Budget Proposal memorandum which is incorporated herein by reference;

RESOLVED FURTHER: That the Board authorizes the Director to spend up to \$1,512,293 in FY 2006 on administrative expenses generally in accordance with Attachment A, with total expenditures in the "Compensation" (4000-4900 and 7800-7860 account codes) and "Non-Compensation" categories to be limited to the amounts indicated in that budget, but with discretion to adjust amounts among the specific "Non-Compensation" line items as needed and between "Compensation" and the "Non-Compensation" category for "Professional Services" without further approval from this Board; and appropriates \$1,512,293 of NRP Program Moneys for administrative expenditures in 2006;

RESOLVED FURTHER, That the Director is hereby authorized and directed to request that the City Council, City of Minneapolis, appropriate \$ 1,512,293 to Fund CNR0-890-3550 for the purposes herein authorized, and to request that CPED immediately transfer \$1,512,293 to the NRP's City of Minneapolis Fund 230; and,

RESOLVED FURTHER, That the Director is hereby authorized to negotiate and sign any Professional Services Agreements or Memorandums of Understanding needed to secure the services in "Attachment B" to the November 16 Administrative Budget Proposal memorandum.