



**Request for City Council Committee Action  
From Community Planning and Economic Development Department**

**Date:** February 24, 2004

**To:** Community Development Committee

**Referral to:** Ways & Means/Budget Committee

**Subject:** CPED/NRP/Finance Memorandum of Understanding on Various Administrative Services

**Recommendation:** Authorize Proper City Officers to Execute the 2004 Administrative Support Reimbursement Agreement between CPED, Finance, and the NRP.

**Previous Directives:** A Memorandum of Understanding between MCDA and NRP for certain administrative services has been in place since 1995; Council action on December 15, 2003 adopting the 2004 NRP Administrative Budget directed CPED to return to the Council with a status report on the memorandum by March 1, 2004.

**Prepared or Submitted by:** Jeff Schneider, CPED Project Manager, 673-5124

**Approved by:** Lee Sheehy, Director CPED

**Presenters in Committee:** Jeff Schneider, CPED Project Manager

**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):
- Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact**

Neighborhood Notification: N/A  
City Goals: N/A  
Comprehensive Plan: N/A  
Zoning Code: N/A  
Other: N/A

As directed by the December Council action noted above, staff is returning to Council to report that CPED and NRP in cooperation with the Finance Department have reached agreement on the 2004 Memorandum of Understanding (MOU) for NRP contract administration and related support services.

Since the mid-1990's the MCDA and NRP have had an annual MOU related to certain administrative services that MCDA has provided to the NRP. These services have included such items as tracking historical revenues, expenditures and future obligations; preparing and administering NRP contracts; legal review of contracts; telephone and rent. NRP has used a portion of their administrative budget to partially reimburse MCDA for these costs; the amount of reimbursement for 2004 has been set at a level of \$250,000 which is the same as last year.

Due to several factors, the 2004 MOU has been substantially revised from past years. These include:

- the creation of CPED as a City department;
- the transfer of certain financial functions from CPED to the Development Finance Division of Finance;
- last fall's City Attorney opinion clarifying that the NRP Board had statutory authority to do planning and monitoring/evaluating but not actual program implementation;
- a desire by CPED to obtain full reimbursement for City staff time spent on contract administration and project management assistance;
- the desire by both CPED and NRP for greater clarity about respective roles, costs, and accountability; and
- a desire by CPED to develop a pilot initiative with NRP to provide logistics assistance for community meetings on selected major CPED program or project initiatives for which CPED desires significant public dialogue; (an example of this will be the Close the Gap Campaign.)

A summary of the changes in responsibility for key service areas appears on the next page. We believe that the MOU responds to the factors noted above and to the principles that were included in the December Council direction to staff, which are listed below:

- "conformance with the City Attorney's legal opinion;
- efficient and cost-effective planning, implementation, and monitoring activities consistent with resources;
- assignment of responsibilities between NRP Central Administration and the City which are explicit and will improve delivery of quality services;
- specific points of contact and accountability between NRP Central Administration and the City and with the public;
- reimbursement eligibility for the City's unique costs related to the NRP program."

In addition to CPED and NRP, the Finance Department will become a party to the MOU, reflecting the new role to be played by the Development Finance Division. Implementation of the MOU will require the transfer of 2 FTE and related personnel budgets from CPED to the Development Finance Division of the Finance Department. Based on the direction provided in 2002R-303(1), the Focus Minneapolis resolution, the Finance Officer will make the necessary

adjustments. As directed by the resolution there would be no net change in overall citywide appropriation or authorized position totals.

<b>Summary of Roles and Responsibilities NRP Contract Management &amp; Administrative Support Activities</b>		
<b>Activity</b>	<b>Current</b>	<b>New</b>
<b><u>1. Plan Implementation Oversight</u></b>		
a. Coordinate Jurisdictional Involvement	NRP	NRP
b. Review of Activities to Ensure Consistency with Plan	NRP	NRP
c. Track and Monitor Progress	NRP	NRP
<b><u>2. Neighborhood Planning, Oversight, Evaluation Contracts</u></b>	NRP	NRP
(Currently: 116 contracts as of 11/2003; 78 active. Of these, 81 (61 active) include some programmatic elements)		
<b><u>3. Intra- and Inter-jurisdictional Funding Agreements</u></b>		
a. City, MPRB, MPL, etc.	CPED	DFD
b. MPS and Hennepin County (Currently: 40 active contracts included in #3c. below)	NRP	DFD
c. Neighborhood Programmatic Contracts (Currently: 119 contracts as of 11/2003; 58 active)	NRP	DFD
<b><u>4. Financial Implementation Support</u></b>		
a. Track and Monitor Finances	CPED	DFD
b. Prepare Plan Spreadsheets	CPED	NRP
<b><u>5. Legal Support</u></b>		
a. Legal Review	CPED	CPED
<b><u>6. Professional/Technical Support for Revision of NRP Policies</u></b>	CPED	City
<b><u>7. NRP Implementation Monitoring and Evaluation</u></b>	NRP	NRP

Fixed Implementation Support  
"Central Contract Process Unit"

cc: Bob Miller, NRP  
Pat Born, Finance  
Jack Kryst, Finance