

Request for City Council Committee Action

Date: November 8, 2011

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

Prepared by: Carsten Slostad (Phone 673-5150)

Approved by: Robert D. Miller, Director _____

Subject: Closing Existing Phase II Contracts

Summary of the Request: The NRP Policy Board requests clarification on the status of remaining balances in Phase II contracts are that completed and closed.

Recommendation:

1. Amend the 2011 General Appropriation Resolution 2010R-598 footnote "p", Section "2" to add the following language:

Notwithstanding the above, any neighborhood for which a Phase II funded contract, executed between 2001 and 2007, and for which the time of performance has expired by the end of 2010, is closed out with a balance remaining in that contract, that neighborhood shall be allowed to contract the amount released back to their Phase II plan as a result of the close-out of that contract.

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

The Honorable Betsy Hodges, Chair
Ways and Means Committee
Minneapolis City Council
315 City Hall
Minneapolis, Minnesota 55415

Re:

Dear Chairpersons Goodman and Hodges:

At its meeting on October 24, 2011 the Neighborhood Revitalization Program Policy Board approved a resolution requesting an amendment to the 2011 General Appropriation Resolution 2010R-598 footnote "p", Section "2" adding clarifying language.

As NRP has been reviewing current contracts we have identified a situation created by the City Council action of December 13, 2010 that may have been both unexpected and unintended.

Some of the contracts executed for projects, program, services and activities that used Phase II neighborhood funds have expired with unexpended balances. Under the current footnote "p", Section "2" of the Council adopted 2011 General Appropriation Resolution 2010R-598 it is unclear exactly how these funds should be treated. Are they available to the neighborhood for re-contracting and expenditure or are they frozen?

Since the funds in question were already under contract before the expenditure freeze occurred, it would appear that the neighborhood should continue to be able to expend these funds without any limit if the existing contract expires with an unexpended balance. It is my belief that the Council did not realize that this type of situation would occur.

To address this problem, on October 24, 2011 the Policy Board passed the following resolution:

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RESOLVED, That the Neighborhood Revitalization Program (NRP) Policy Board requests that the Minneapolis City Council amend the 2011 General Appropriation Resolution 2010R-598 footnote "p", Section "2" to add the following:

Notwithstanding the above, any neighborhood for which a Phase II funded contract, executed between 2001 and 2007, and for which the time of performance has expired by the end of 2010, is closed out with a balance remaining in that contract, that neighborhood shall be allowed to contract the amount released back to their Phase II plan as a result of the close-out of that contract.

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

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Sincerely,

Robert D. Miller
Director