

Minneapolis Neighborhood Revitalization Policy Board

MINUTES OF THE REGULAR MEETING OF

March 22, 2004

Present and Voting: Debbie Evans, Cam Gordon, Nicholas Kakos, Carol Pass (Alternate, Redirection Neighborhoods), Peter McLaughlin, David Fey (Alternate, Mayor's Office), Jon Olson, Dennis Schapiro, Byron Laher (Alternate, United Way), Ken Kelash (Alternate, Central Labor), Diane Hofstede, and Rep. Joe Mullery, chair, presiding.

Alternates Attending: Sean Wherley, Steven Miller, Jeffrey Strand

Absent: Zachary Korb (excused), Michael Opat, Gail Dorfman, R.T. Rybak, Emmett Carson, Bill McCarthy, Lauren Segal, Todd Klingel

Staff: Bob Miller, Carsten Slostad

Others Present: Jeff Schneider, Chris Gams, Elizabeth Hinz, Gary Arntsen

I. CALL TO ORDER

Representative Joe Mullery, chair, called the meeting to order at 4:40 p.m. in Conference Room C-2350 in the Hennepin County Government Center.

II. APPROVAL OF THE AGENDA

Upon a motion by Ken Kelash and seconded by Dennis Schapiro the agenda was adopted.

III. APPROVAL OF THE MINUTES

Upon a motion by Peter McLaughlin and seconded by Ken Kelash the minutes of the February 23, 2004 meeting were adopted.

IV. ACTION ITEMS

1. Minneapolis Schools "Second 7.5%" NRP Funds Request [NRP / FR# 2004-05]

Elizabeth Hinz, Minneapolis Schools NRP project liaison, presented the request to use remaining "Second 7.5%" NRP funds for Internet Lab upgrades at six schools. The six neighborhoods involved with this request have modified, or are in the process of modifying, their neighborhood action plans to include this request. The Board expressed their appreciation to Elizabeth Hinz for her years of service working with neighborhoods on behalf of the Minneapolis Schools.

Upon a motion by Nicholas Kakos and second by Ken Kelash the following resolution was adopted.

RESOLVED: That the Minneapolis Neighborhood Revitalization Policy Board hereby approves the use of up to \$459,130 of Minneapolis Schools "Second 7.5%" NRP Funds to support Internet Lab upgrades as follows: 1) \$80,478 to Anthony Middle School in the Kenny neighborhood, 2) \$152,004 to Edison High School in the Holland neighborhood, 3) \$28,960 to Ericsson Community School in the Standish Ericsson neighborhood, 4) \$46,522 to Shingle Creek Community School in the Shingle Creek neighborhood, 5) \$103,706 to Sullivan Community School in the Longfellow neighborhood, and 6) \$47,460 to Wenonah Community School in the Nokomis East neighborhood.

2. Bottineau Phase II Participation Agreement

[NRP / FR#2004-06]

Bob Miller presented the request of the Bottineau Neighborhood for approval of their Phase II Participation Agreement. Upon a motion by Peter McLaughlin and seconded by Ken Kelash the following resolution was adopted.

RESOLVED: That the Minneapolis Neighborhood Revitalization Policy Board (Board) hereby approves the Bottineau Neighborhood Phase II Participation Agreement and authorizes an expenditure of up to \$7,900 from the Phase II Plan Development Advance Fund to the Bottineau Neighborhood Association for administrative support associated with Phase II plan development activities; and

FURTHER RESOLVED: That this expenditure be included in the neighborhood's Phase II Neighborhood Action Plan as part of their Phase II allocation.

V. POLICY ITEMS

1. Phase II Decisions

Bob Miller reviewed the process used to determine the recommendations of the Board Task Force and provided background on how the proposed formulae were developed. He also reported the results from the neighborhood comment period and informed the Board that 24 neighborhoods had responded to the questions asked of them in January. A summary of the results from these neighborhoods was distributed to the members. Ten recommended resolutions were then taken under consideration one at a time.

a) Allocation Formula

[NRP / PR#2004-11]

David Fey distributed a chart showing the original Phase I allocation formula weightings, the Phase II formulae weightings used in July 2000 and the weightings of the Phase II formulae proposed by the Task Force. Discussion about how the formulas would fairly distribute limited funding then occurred. Upon a motion by Ken Kelash and seconded by Jon Olson the following resolution was adopted with David Fey and Carol Pass voting against it.

RESOLVED: That the Minneapolis Neighborhood Revitalization Policy Board (Board) adopts the attached Phase II NRP Formulae Options-Proposed Recommendation of the Board Task Force on Phase II as the basis for the allocation of Phase II funds to neighborhoods. *(The formula is an attachment to these minutes)*

b) Commercial Area Development Reserve Fund

[NRP / PR#2004-12]

Upon a motion by Ken Kelash and seconded by Jon Olson the following resolution was adopted.

RESOLVED: That the Minneapolis Neighborhood Revitalization Policy Board (Board) adopts the Commercial Area Development Reserve Fund recommendation of the Board Task Force on Phase II, directs the elimination of this fund and the reallocation of the \$4 million set aside for the CADRF for inclusion in the Phase II funds to be allocated to the neighborhoods.

c) Three Phase II allocation qualifying resolutions

To address specific issues relating to the allocation of Phase II funding the Policy Board reviewed the recommendations of the Board Task Force on Phase II and addressed each concern with the following resolutions.

Upon a motion by Ken Kelash and seconded by Nicholas Kakos the following resolution was adopted.

[NRP/ PR#2004-13]

RESOLVED: That \$25,000 of the amount available for Phase II neighborhood allocations be allocated for the Sumner – Glenwood neighborhood and that this neighborhood meet the same requirements as all other neighborhoods before any expenditure of these funds is approved.

Upon a motion by Nicholas Kakos and seconded by Ken Kelash the following resolution was adopted with Cam Gordon and David Fey voting against.

[NRP / PR#2004-14]

RESOLVED: That \$100,000 of the amount available for Phase II neighborhood allocations be allocated for the University neighborhood and that this neighborhood meet the same requirements as all other neighborhoods before any expenditure of these funds is approved.

Upon a motion by Ken Kelash and seconded by Nicholas Kakos the following resolution was adopted with Cam Gordon and Peter McLaughlin voting against.

[NRP / PR#2004-15]

RESOLVED: That every other residential neighborhood in the City shall receive at least \$100,000 from the allocation of Phase II neighborhood funds.

d) Early Access Policy

[NRP / PR#2004-16]

The Board Task Force on Phase II, based upon comments from the neighborhoods, recommended that further study was needed on the draft policy proposal. Upon a motion by Ken Kelash and seconded by Nicholas Kakos the following resolution was adopted.

RESOLVED: That action on revising the Early Access policy of the Board be deferred and that the Director bring a revised policy to the Board in May for review and possible approval.

e) Two Contingency Set Aside Resolutions

Upon a motion by Nicholas Kakos and second by Ken Kelash a contingency resolution was considered. Given the uncertain revenue projections for the next few years, the Board Task Force on Phase II felt that contingency funding for administrative costs was necessary. Peter McLaughlin expressed his concern that having these fund set aside might encourage a raid of these funds for other purposes. To address this issue Byron Laher moved and Ken Kelash seconded an amendment to the resolution by adding “ *If the contingency fund is not used for administrative costs it is to be reallocated to the neighborhoods.*” The amendment was adopted and then the amended resolution as follows was adopted.

[NRP / PR#2004-17]

RESOLVED: That \$1.5 million of the total revenues received in Phase II be reserved for unexpected administrative costs and set aside for this purpose. If the contingency fund is not used for administrative costs it is to be reallocated to the neighborhoods.

Upon a motion by Ken Kelash and seconded by Jon Olson the following resolution was adopted.

[NRP / PR#2004-18]

RESOLVED: That the need for, and amount of, the contingency fund for administrative expenses be reviewed annually after the year-end calculation of Common Project revenues occurs.

f) Phase II Expenditure Limits

[NRP / PR#2004-19]

The adopted Phase II process (July 24, 2000) contained a complicated holdback scheme to help achieve the required 52.5% housing investment. The Board Task Force on Phase II found this unworkable, especially now that funding has been significantly reduced. A spending limit for the first three years of a Phase II plan was recommended.

Upon a motion by Ken Kelash and seconded by Jon Olson the following resolution was adopted.

RESOLVED: That neighborhoods be required to limit their Phase II Neighborhood Action Plan expenditures to no more than 70% of their neighborhood allocation during the first 3 years of their approved plan.

g) Incorporation of Changes to the Phase II Process

[NRP / PR#2004-20]

The motions passed to this point in the meeting greatly affect the policy adopted by the Policy Board on July 24, 2000 for Phase II. To address this concern Ken Kelash moved and Jon Olson seconded the following resolution, which was adopted.

RESOLVED: That the Director is authorized to incorporate these changes into revised and updated versions of the Phase II process approved by the Policy Board on July 24, 2000 for Board review and approval.

2. New Board Member

[NRP / PR#2004-21]

Upon the recommendations of the Board Task Force the following resolutions were moved by Ken Kelash, seconded by Diane Hofstede and adopted.

RESOLVED: That the NRP Policy Board Chair send a letter to the Institute of Race and Poverty thanking them for their support of the NRP and service on the Board; and,

RESOLVED FURTHER: That the Chair invite the CEO of The Urban Coalition to become a member of the NRP Policy Board.

3. Bylaws and Inclusion Task Force

[NRP / PR#2004-22]

The chair recommended that a task force be formed to review and update, if necessary, the revised Bylaws approved by the Policy Board on April 22, 2002 prior to submitting them to the partner jurisdictions for approval. He recommended that Ken Kelash convene this task force.

Upon a motion by Jon Olson and seconded by Diane Hofstede the following resolution was adopted.

RESOLVED: That the chair appoint a task force to review and update, if necessary, the revised Bylaws approved by the Policy Board on April 22, 2002.

VII. PRESENTATIONS & REPORTS

1. Audit Report for Calendar Year 2002

Bob Miller reported to the Policy Board Members that they should have received by mail a copy of the Audit Report for calendar year 2002.

VIII. ADJOURNMENT

The meeting was adjourned at 6:20 p.m.

Carsten Slostad, Secretary Pro Tem

ATTEST: Joe Mullery, Chair