

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	December 8, 2014
	<b>Agenda Item No.</b>	37
	<b>Roll Call No.</b>	[ _____ ]
	<b>Communication No.</b>	<u>14-562</u>
	<b>Submitted by:</b>	<b>Douglas C. Romig, Housing Services Director</b>

**AGENDA HEADING:**

Authorizing City Manager and his designees to enter into negotiations to consolidate the program services and service area of the Des Moines Community Action Agency with Red Rock Area Community Action Program, Inc. (Red Rock).

**SYNOPSIS:**

Authorization of the City Manager and his designees to enter into negotiations to consolidate the program services and service area of the Des Moines Community Action Agency with Red Rock, with a targeted transition date of July 1, 2015.

**FISCAL IMPACT:**

Amount: \$67,481 less revenue from Community Action Agency for Indirect Cost Allocations with approximate cost to General Fund of \$52,500 and cost to Enterprise Funds of approximately \$15,000. Of the \$200,000 Community Development Block Grant (CDBG) previously allocated to Community Action Agency, a portion of the funding would be phased out and reprogrammed toward other City CDBG initiatives.

Funding Source: Special Revenue Funds, Community Services Block Grants and Energy Grants, page 120.

**ADDITIONAL INFORMATION:**

On October 6, 2014, by Roll Call No. 14-1601, the Des Moines City Council authorized the City Manager and his designees to enter into formal discussions with the Red Rock and the State of Iowa Division of Community Action Agencies to evaluate the feasibility and potential benefits to service delivery for provision of community action agency programs in the City of Des Moines by Red Rock with the following guiding principles:

- a. The City of Des Moines shall have representation equal to each county as part of the one-third public official membership on the Red Rock Board of Directors mandated by Iowa Code Section 216A.94 and Community Services Block Grant (CSBG) regulations regarding the establishment of a tripartite board. This position needs to be an elected official or that elected officials' designee.

- b. All community action programs currently provided by the City of Des Moines shall be continuously provided within the City by Red Rock at or above current service and funding levels;
- c. The portion of Des Moines Community Action Agency services dollars currently distributed for programs to Des Moines residents to the total amount of service dollars distributed in the Red Rock and Des Moines Community Action Agency areas shall not be decreased;
- d. All current City of Des Moines employees administering the community action agency program, with the exception of the Housing Services Director, shall be guaranteed initial employment with Red Rock. Employee retention and work assignment will be at the discretion of Red Rock based on each employee's knowledge, skills, abilities and work performance. Employee salary and benefits shall be in accordance with Red Rock's established compensation and benefit package; and
- e. The Red Rock administrative site office shall be relocated to Polk County Riverplace subject to agreement on lease terms with Polk County, Iowa.

Staff is recommending that the City proceed with negotiations to consolidate the program services and service area of the City of Des Moines to Red Rock based on the following identified benefits: 1) savings from consolidation due to reduction of federal funding; 2) greater operational efficiencies/cost savings; 3) greater service delivery to low-income families at a regional level; 4) greater ability of Red Rock, a non-profit entity, to privately fundraise additional support dollars; 5) repurpose a portion of CDBG; and 6) ability to expand/enhance services to low-income families.

On December 4, 2014, the Red Rock Board of Directors agreed to the above guiding principles and authorized their Interim Executive Director and Board to enter into negotiations with the City of Des Moines to consolidate the program services and service area of the City of Des Moines Community Action Agency. Red Rock currently serves Boone, Jasper, Marion, Polk (non-Des Moines) and Warren counties.

In order to formalize an agreement between the two (2) entities subcommittees have been established to work on the following transition items:

1. Personnel, Finance and Organization Committee; and
2. IT Software Database Committee.

These teams will work to evaluate the current organizational structure, finances and personnel of each entity, differences in data bases and work with the State of Iowa Division of Community Action Agencies to develop an agreement to consolidate program services and service areas with a tentative effective date of July 1, 2015. Elements of the agreement shall include but not be limited to the following:

1. Incorporation of Guiding Principles;
2. Assignment of the Low Income Housing Energy Assistance Program (LIHEAP);
3. Assignment of the CSBG program;
4. Transfer of funds, furnishings and equipment purchased with federal dollars;
5. Plan for use of CDBG funding;
6. Transfer of existing MOU's and grants (MidAmerican ICARE and United Way of Central Iowa's Financial Education); and
7. City of Des Moines employee contributions to the Des Moines Community Action Agency's Holiday Food Basket program.

Due to the required conversion of databases and cross-training of staff through the consolidation of services, the July 1, 2015 effective date has been identified as the best transition time which will allow the consolidated operation to prepare prior to the busy LIHEAP season.

**PREVIOUS COUNCIL ACTION(S):**

Date: October 6, 2014

Roll Call Number: [14-1601](#)

Action: [City](#) Manager to enter into formal discussions to evaluate the provision of Community Action Agency Programs in the City of Des Moines by Red Rock Area Community Action Program, Inc. ([Council Communication No. 14-477](#)) Moved by Gatto to approve. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S):**

Board: Housing Services Board

Date: September 17, 2014

Resolution Number: N/A

Action: Consensus to recommend authorizing City staff to enter into discussions with Red Rock Area Community Action Program to consolidate services.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Execution of related agreements to consolidate program services and service area of the City of Des Moines to Red Rock.

Diminution of civil service positions and layoff of employees assigned to these positions.

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