

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: May 18, 2015
	Agenda Item No. 66 Roll Call No. <u>15-871</u> Communication No. <u>15-269</u> Submitted by: Douglas C. Romig, Housing Services Director

AGENDA HEADING:

Approving Assumption Agreement by and between the City of Des Moines and the Red Rock Area Community Action Program and diminution of positions related to this action.

SYNOPSIS:

Approval of Assumption Agreement by and between the City of Des Moines and Red Rock Area Community Action Program for the conveyance of the Des Moines Community Action Agency programs and service area and diminution of positions related to this action.

FISCAL IMPACT:

Amount: \$67,481 less revenue that is currently allocated from the Community Action Agency for Indirect Cost Allocations to the General Fund of \$52,500 and to the Enterprise Funds of approximately \$15,000. The \$200,000 Community Development Block Grant (CDBG) that is currently allocated to the Community Action Agency will be phased down with \$200,000 in year one (1); \$150,000 in year two (2); \$100,000 in year three (3); and \$50,000 each year thereafter to support services provided to Des Moines residents.

Funding Source: N/A

ADDITIONAL INFORMATION:

On April 23, 2015, the Red Rock Area Community Action Program, Inc. approved the Assumption Agreement, which is on file in the City Clerk’s office, which conveys the programs and service areas of the Des Moines Community Action Agency to their Agency.

On October 6, 2014, by Roll Call No. 14-1601, the Des Moines City Council authorized the 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. On January 26, 2015, by Roll Call No. 15-0145, the Des Moines City Council authorized the City Manager and Legal Department to negotiate an agreement with the Red Rock Area Community Action Program, Inc. in anticipation of Red Rock assuming Community Action Agency programs and services within the City of Des Moines. As a part of these actions, the Council established the following Guiding Principles:

- City of Des Moines to have equal representation as each existing county on the Red Rock Board of Directors as a part of the one-third public official membership mandated by federal and state law;

- All current Des Moines Community Action Agency programs would be provided by Red Rock at or above current service and funding levels;
- The percentage of service dollars currently distributed to Des Moines residents to the total amount of service dollars distributed in the Red Rock and Des Moines areas will not be decreased;
- All current employees administering the Community Action Agency program, with the exception of the housing services director, would be guaranteed placement and retained based on performance. Salary and benefit packages shall be subject to Red Rock's compensation and benefit offerings based on tenure (Red Rock employees are Iowa Public Employees Retirement System (IPERS) eligible); and
- The Red Rock administrative site office would be located at Polk County Riverplace subject to Polk County approval and agreeable lease terms. The City of Des Moines and Polk County Board of Supervisors have previously approved resolutions to relocate the Des Moines Community Action Agency as a part of the Housing Services Department move to Polk County Riverplace (2309 Euclid Avenue) in the summer of 2016.

During the Council workshop on December 8, 2014, the Council requested consideration of additional representation from the City of Des Moines on the new Red Rock Board in addition to the above Guiding Principles. The Red Rock Board of Directors have agreed to all of the above Guiding Principles and establishment of a Policy Advisory Committee relating to funding and provision of services and programs in Des Moines. This Committee would be comprised of the following membership:

- One (1) representative appointed by the Mayor and each Council Member and confirmed by the City Council;
- Seven (7) low-income representatives from the City of Des Moines neighborhoods served by the Agency through the Red Rock democratic selection process and confirmed by the City Council;
- The Policy Advisory Committee would select two (2) representatives voted on by the Committee's low-income members to represent their interests to serve as voting members of the Red Rock Board of Directors.

Other items for consideration include the loss of Indirect Cost Allocations to other City funds from the Agency in the amount of \$67,481 and use of the City's CDBG dollars allocated to the Agency in the amount of \$200,000. These funds have been utilized to assist in lease payments and staffing costs to operate the Des Moines Community Action Agency's programs and services. The recommendation regarding future use of these funds would be to provide \$200,000 in year one (1); \$150,000 in year two (2); \$100,000 in year three (3); and \$50,000 each year thereafter to support services being delivered to Des Moines' low-income families. This action would ultimately allow the reallocation of \$150,000 in CDBG funding by the Council.

Staff is recommending approval of the Assumption Agreement as reduction of federal funding and the City's structural deficit will continue to negatively impact the fiscal position of the Des Moines Community Action Agency. The terms and conditions within the Assumption Agreement will ensure the continuation of existing programs and services being provided to Des Moines' low-income families; provide for City and resident participation on the Red Rock Board and provide a greater opportunity for private fund-raising since Red Rock is operated as a non-profit entity.

As a part of this action, the diminution of six (6) Community Action Agency (City) employees will need to be approved. The impacted positions Community Action Administrator (1); Community Action

Program Manager (1); Senior Family Development Specialists (2); and Family Development Specialists (2).

PREVIOUS COUNCIL ACTION(S):

Date: January 26, 2015

Roll Call Number: [15-0145](#)

Action: [Authorizing](#) the City Manager and Legal Department to negotiate agreement with the Red Rock Area Community Action Program, Inc. in anticipation of Red Rock assuming Community Action Agency programs and services in Des Moines. ([Council Communication No. 15-040](#)) Moved by Coleman to adopt; the City Manager will schedule a workshop on this topic and include information regarding how the citizens of Des Moines will be served, board representation and the effect on the existing employees. Motion Carried 7-0.

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: NONE

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