

# **Municipal Building Commission**

## **2004-2008 Business Plan**

### **February 2004**



## **Glossary of Acronyms**

- ADC:** Hennepin County Adult Detention Center
- AFSCME:** American Federation of State, County and Municipal Employees
- BIS:** City of Minneapolis, Business Information Systems Department
- CAFM:** Computer aided facilities management
- CBTF:** Hennepin County Capital Budgeting Task Force
- CCTV:** Closed circuit television
- CFM:** Cubic feet per minute
- CLIC:** City of Minneapolis, Capital Long-Range Improvement Committee
- DOC:** Minnesota Department of Corrections
- EMS:** Energy management systems
- FICA:** Federal Insurance Contributions Act
- FTE:** Full time equivalent
- HVAC:** Heating, ventilation and air conditioning system
- IFMA:** International Facility Management Association
- ITS:** Information technology services
- LGA:** Local government aid
- LS:** Life safety
- MBC:** Municipal Building Commission
- MBH:** One-thousand British thermal units per hour
- MECC:** Minneapolis Emergency Communications Center
- MERF:** Municipal Employees Retirement Fund

**MLBS:** Thousands of pounds

**MLSS:** Mechanical and Life Safety Systems Upgrade Project

**NA:** Not applicable

**PSF:** Hennepin County Public Safety Facility

**SOC:** Hennepin County Security Operations Center

**TBD:** To be determined

**VAV:** Variable air volume boxes

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## Introduction



### Minneapolis City Hall and Hennepin County Courthouse



The Municipal Building also known throughout different periods of time as the "Courthouse" and "City Hall" as well as the Minneapolis City Hall and Hennepin County Courthouse was built over a period spanning 1887 to 1906. The City and County share ownership of the building, which is located at 350 South 5<sup>th</sup> Street in downtown Minneapolis, Minnesota. It occupies an entire City block and has about 550,000 square feet of usable space. The building is an architectural treasure listed on the National Register of Historic Places and was designed by Long and Keys Architects. It is styled according to Richardsonian architecture, ordained with a five-story Rotunda, stained glass windows fabricated by Ford Brothers Glass Company, a clock tower that rivals Big Ben, and features the Father of Waters statue and marble from the Carrara quarries used by Leonardo da Vinci and Michelangelo.

While the building was under construction the legislatively appointed Board of Courthouse and City Hall Commissioners oversaw all activities. In 1904, the Minnesota Legislature enacted a statute creating an independent board, the Municipal Building Commission (MBC). The MBC is a four-member City-County entity comprised as follows: President: Chair, Hennepin County Board; Vice President: Mayor, City of Minneapolis; County Member: Hennepin County Commissioner; and City Member: City Council Member. The statute imparted authority and responsibility to the MBC to preserve, maintain and care for one building -- the Minneapolis City Hall and Hennepin County Courthouse.

The City Hall and Courthouse building was erected because the existing courthouse and city hall buildings were not large enough to house the growing Hennepin County and Minneapolis government offices and had become unsafe for staff and public visitors. The new building was to be a shared symbol of the burgeoning City and County as well as a stately and lasting public monument.

Hennepin County Offices officially moved into the building in 1895 with the City following 7 years later. Upon its inception, building tenancy was shared equally by the City and County. As County functions grew, so did space needs. The Hennepin County

Government Center was built in 1975 adjacent to the City Hall and Courthouse. Today the City Hall and Courthouse building houses about 60 percent City offices and 40 percent County offices. Current City and County departments in the building include those listed below; several departments have 24-7 operations:

Board of Estimate and Taxation  
City of Minneapolis, Business Information Systems  
City of Minneapolis, City Clerk  
City of Minneapolis, City Coordinator  
City of Minneapolis, Civil Rights  
City of Minneapolis, Communications  
City of Minneapolis, Community Planning and Economic Development  
City of Minneapolis, Finance  
City of Minneapolis, Mayor's Office  
City of Minneapolis, Planning  
City of Minneapolis, Public Works  
Hennepin County Adult Detention Center (*24-7 operation*)  
Hennepin County Arbitration and Conciliation Court  
Hennepin County Sheriff's Office (*24-7 operation*)  
Minneapolis City Council  
Minneapolis Fire Department  
Minneapolis Intervention Project (non-profit organization)  
Minneapolis Police Department (*24-7 operation*)  
Minnesota State Auditor  
Tubman Family Legal Program (non-profit organization)

The ensuing document, *Municipal Building Commission Business Plan*, outlines information on the agency mission statement, organizational structure, primary businesses, key initiatives, and relays planning documents for finance, human resources, technology, equipment and space. It is a product of input and ideas from Municipal Building Commission staff, City and County staff, and key MBC partners.

Readers of the MBC Business Plan should note that the Municipal Building Commission takes great care to preserve and maintain the historic City Hall and Courthouse building. Facility management of such an historic structure is not straightforward and does not lend itself to all methods used in contemporary buildings. Modern buildings are more easily managed because they utilize block style floor plans and incorporate special shafts and rooms for building systems such as voice and data cabling, electrical systems, and heating, ventilation and air conditioning systems. Structure and architecture of the City Hall and Courthouse building is complex: walls are in some cases several feet thick and construction was not configured to accommodate contemporary ventilation ducts, sprinkler systems, plumbing lines, electrical wiring and communications cabling. As years passed, fireplaces in offices disappeared and heating systems were implemented; windows are kept closed in the summer and air conditioning is now turned on; and computers replaced ink, pen and typewriters. The MBC has gradually fashioned modern features into the granite mold of a 100-year-old building. Furthermore, records and transfer of information

related to the building is many times not available as building management has changed hands over time. Lasting and continued care and maintenance of the City Hall and Courthouse building is due in large part to the knowledge of long-standing employees who know the building and its history as well as skilled staff who are able to deal with the building's complexities, and creatively implement systems and devices.

## **Section One: Department Overview**

- Department Mission Statement
- Primary Business Lines
- Department Organizational Charts
- Department Alignment with City and County Goals
- Key Trends and Challenges Impacting the Department

## Department Mission Statement

The Municipal Building Commission was created by state statute in 1904 and given exclusive care and control of the Minneapolis City Hall and Hennepin County Courthouse building to provide effective and efficient services to operate, maintain and preserve this historic landmark building, and ensure a safe and functional environment for City and County government employees, citizens and elected officials.

## Primary Business Lines

The Municipal Building Commission has identified the following lines of business:

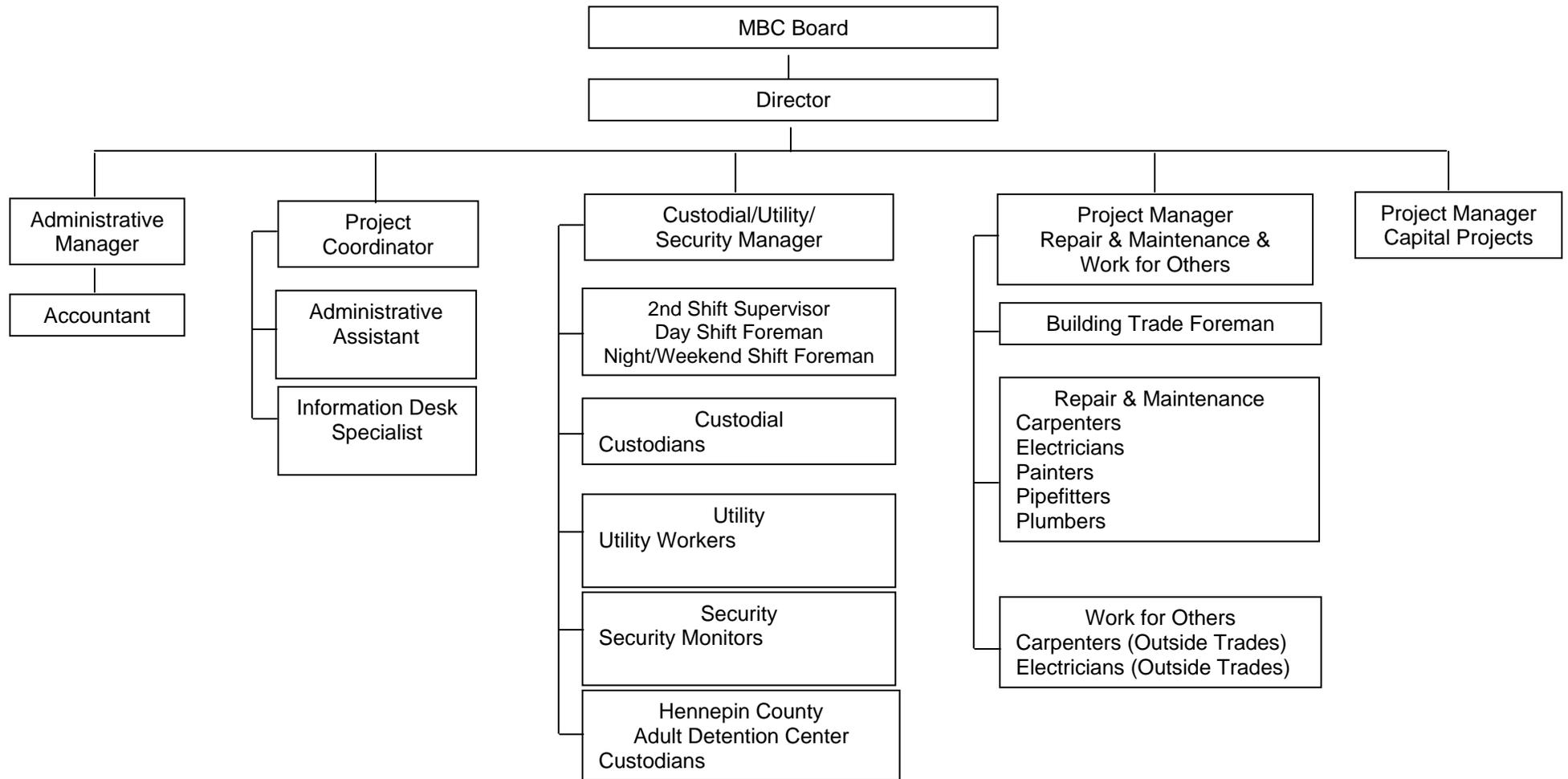
### ***Primary Business 1: Care of the Minneapolis City Hall and Hennepin County Courthouse Building***

This business line is responsible for operating, maintaining and preserving the building through custodial, utility, repair and maintenance, preventive maintenance activities, and capital improvements.

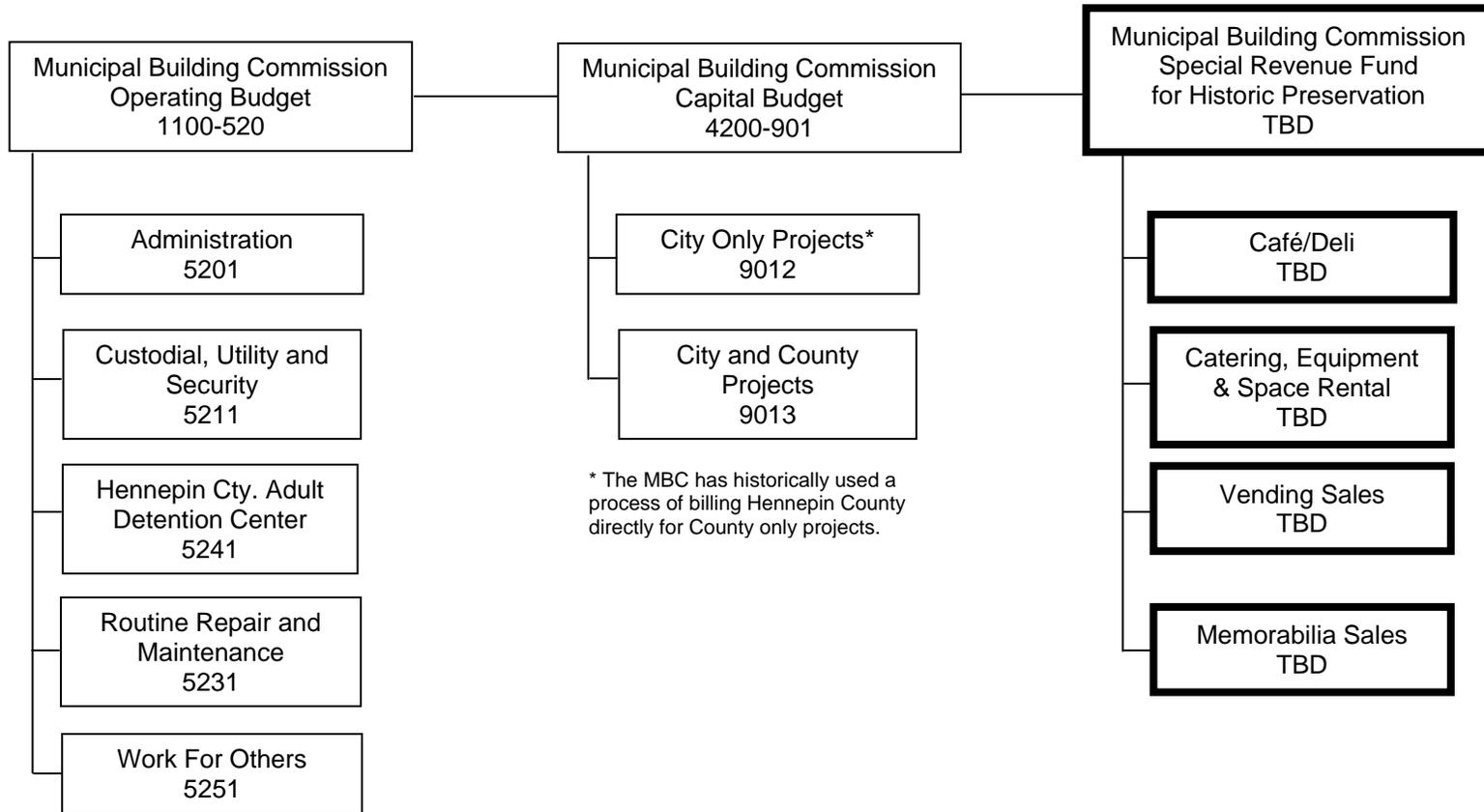
### ***Primary Business 2: Control of the Minneapolis City Hall and Hennepin County Courthouse Building***

This business line is responsible for administrative functions including serving as staff to the MBC Board, implementing Board directives, space assignment and coordinating City and County tenant needs as well as planning, emergency preparedness, security, communications, human resources, labor relations, contract services, information technology, finance, accounting, payroll, and operating and capital budgeting activities.

## Functional Organizational Chart



## Budgetary Organizational Chart



**▭** Denotes future addition to agency budgetary structure.

## Department Alignment with City and County Goals

The Municipal Building Commission Care and Control business lines directly contribute to the following City of Minneapolis and Hennepin County goals:

**City Goal 1: *Build communities where all people feel safe and trust the City's public safety professionals and systems.***

**City Goal 2: *Maintain the physical infrastructure to ensure a healthy, vital and safe City.***

**County Goal 1: *Healthy. People are healthy, have access to quality health care and live in a clean environment.***

**County Goal 2: *Protected and Safe. People are safe from harm through prevention, early intervention and treatment services, and through enhanced public safety.***

- **Care:** The City Hall and Courthouse building is home to several functions that play a critical role in providing public safety and ensuring a healthy and vital City and County: Office of the Mayor, Office of the City Council, Office of the City Coordinator, Finance Department, Fire Department, Police Department, Minneapolis Emergency Communications Center (911 call center), Public Works, Hennepin County Adult Detention Center, Hennepin County Arbitration and Conciliation Court and Hennepin County Sheriff's Office. Furthermore, MBC activities are imperative for maintaining the physical infrastructure of an historical icon that houses 1,200 City and County employees, and is frequented by hundreds of visitors each day including citizens needing access to City and County services and participating in the democratic process of government. The MBC is responsible for capital project work, maintenance and care of the more than a century old City Hall and Courthouse to ensure that the building is clean and in safe working order for building occupants, citizens and visitors. The MBC maintains and performs upgrades to specialized electrical, mechanical and other sophisticated infrastructure systems and equipment; these systems and equipment are regularly inspected, tested and kept in optimum working order to reduce risks of systems failures and injuries. In addition, the MBC provides daily cleaning, trash and recycling services, and exterior grounds maintenance. Aside from routine, daily work activities, on average the MBC issues and completes about 6,000 routine, corrective and preventative work orders per year. Capital project resources are currently being directed toward improving health safety and air quality through a life safety, heating, ventilation and air conditioning systems upgrade as well as asbestos abatement throughout the entire 550,000 square foot facility. The MBC also participates in recycling programs and strives to engage in safe work-related practices and procedures for the health and

- safety of employees as well as tenants and visitors.
- **Control:** Administrative functions of the MBC serve to provide the staff necessary for performing care and maintenance of the building as well as communicating policies and procedures to ensure health and safety of tenants, citizens and visitors, and preservation of the building. MBC Administrative staff also interface with MBC Board members to implement directives to support the continued vitality and operation of the City Hall and Courthouse building for City and County functions and citizen access to government. Policies also are communicated to tenants outlining guidelines for space access, usage and modifications. In addition, the MBC provides around-the-clock building security and closed circuit television monitoring to support the health and safety of tenants and visitors. Trained and uniformed security staff patrol the building, respond to duress calls, act as first responders in medical emergencies, maintain access control to all spaces in the building, and protect physical structures in the building from vandalism and foul play. Two floors of the building -- occupying 110,000 square feet -- also are dedicated to the Hennepin County Adult Detention Center, which houses individuals who are accused of committing crimes and either awaiting trial or on trial. The MBC maintains a strong professional relationship with the Minneapolis Police Department, Hennepin County Sheriff's Office and outside law enforcement agencies to provide coordination, information exchange and share resources, where applicable. The MBC provides emergency procedures for fire, severe weather, bomb threat and civil disturbance situations that are reviewed, revised, communicated and tested on an regular basis. Building tenants and the general public have participated in fire evacuation and severe weather exercises for several years. On average, building fire evacuations during drills have been clocked at 8 minutes to complete. The MBC also strives to keep employees safe and healthy through annual safety training classes, providing health, dental and life insurance plans, offering an employee assistance program, participating in workers' compensation programs, and implementing drug and alcohol policies.

**City Goal 6: *Preserve and enhance our natural and historic environment and promote a clean, sustainable Minneapolis.***

- **Care:** All MBC activities help to preserve and maintain the historic and architecturally significant Minneapolis City Hall and Hennepin County Courthouse building, which is over 100-years-old and listed on the National Register of Historic Places. The MBC has completed many projects in recent years to maintain the building and enhance or recreate historical features including tuckpointing of the entire building exterior, re-creation of the Fourth Street entrance, renovation of the City Council Chambers and restoration of marble and stained glass windows in the building Rotunda. MBC staff take great care in all aspects of their work to ensure the building maintains its historic qualities -- project work is adapted to preserve historical elements and other activities such as painting is completed incorporating traditional designs or period specific light fixtures are used. It is the goal of the MBC to preserve the

landmark City Hall and Courthouse for many generations to visit and engage in critical government functions. Furthermore, as home to the Historic Preservation Commission, other historic buildings in the City also are being maintained and kept intact for future learning and enjoyment.

- **Control:** The mission of the MBC is to maintain and preserve an historic facility. Through policies, procedures, project management and events, the MBC constantly strives to protect, enhance and promote the history of the City Hall and Courthouse building. Free tours are conducted on a monthly basis and as requested. In 2002, 1,070 people participated in tours to explore and learn about the building's rich history. In addition, the MBC partners with City and County staff to coordinate events to engage tenants and the public in the chronicle of the building's past. Recent events have included the Mayoral and City Council Inauguration, Black History Month Activities, Spooktacular Halloween Party and Rotunda Restoration Holiday Celebration. Furthermore, through the agency's World Wide Web site, the beauty and biography of the building is accessible to people everywhere. In fact, 8,043 individuals visited the MBC Web site in 2002 from 35 different states; most visitors were from Minnesota, Virginia, California and New Jersey.

The Municipal Building Commission Care and Control business lines indirectly contribute to the following City of Minneapolis goals:

**City Goal 3: *Deliver consistently high quality City services at a good value to our taxpayers.***

- **Care:** The MBC is committed to providing high quality services at a good value to taxpayers. Project work is completed in the most efficient manner possible. For example, routine space improvements including painting, installing new carpet and ceiling tile, and updating electrical systems are being completed in conjunction with the Mechanical and Life Safety Systems (MLSS) upgrade capital project. Completing these routine improvements at the same time is more cost effective as the space only undergoes work once, impacts to tenants are minimized, total project time frame is reduced, and MBC staff are able to complete their work more easily because the space is exposed and open. In addition, MBC management consciously works to employ the best and most cost effective operational practices. MBC custodial staff have adopted a "Cleaning for Health" approach, which is cost effective and reduces the amount of air-borne dust. The agency also is gearing up for implementation of an enhanced recycling program. The intent of this program is to increase the amount of items recycled in the building and the amount of revenue received from recycling while also decreasing the amount of trash and costs associated with refuse disposal.
- **Control:** MBC staff follow City of Minneapolis, Procurement policies for all agency purchases and also adhere to the City bid process. In-house trade and custodial staff are employed to provide building services and maintenance. Internal staff impart institutional knowledge that again and again has proven invaluable for completing work in the historic, century-plus, City Hall and

Courthouse building. In addition, the MBC works with City and County staff to best utilize building space resources to ensure that room and space assignments are maximized so as to reduce lease costs. The MBC works to provide the most cost efficient mechanical and electrical systems including heating and cooling, and lighting services. Inefficient and outdated mechanical systems are being replaced through the MLSS upgrade capital project. New mechanical units will provide better air quality and temperature-control in the building, and be more energy efficient to operate. Electrical outlets, light switches and light fixtures also are being upgraded to allow for better functionality and energy conservation. These systems will be automated and tracked through a computerized energy management system. Finally, plans have been made to connect building security cameras to the Hennepin County Security Operations Center (SOC). With completion of these links, the MBC gains round-the-clock monitoring without the need for construction of a costly SOC in the City Hall and Courthouse building.

**City Goal 4: *Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.***

- **Care:** As the facility manager for the City Hall and Courthouse, the MBC strives to maintain all building systems, infrastructure and historical elements so it will always be an asset to the City and County. Several key City functions also are housed in the building including the Mayor's Office, City Council, City Coordinator, Finance Department and Planning.
- **Control:** The MBC utilizes City and County resources and forms partnerships with the City and County, whenever possible. In addition, the MBC is currently researching several potential revenue sources to generate additional agency revenue, and increase traffic and awareness of the City Hall and Courthouse. Revenue opportunities include: grant funding, implementing a café/deli in the building, implementing space rental and catering for events and weddings, offering expanded vending services, and selling agency memorabilia on-line.

**City Goal 5: *Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs and promotes future growth.***

- **Care:** The MBC plays an integral role in providing a safe and functional work environment for the following City departments: Mayor's Office, City Council, City Coordinator, Finance Department, Regulatory Services and Planning Department.

**City Goal 7: *Promote public, community and private partnerships to address disparities and to support strong, healthy families and communities.***

**City Goal 8: *Strengthen City Government management and enhance community***

**engagement.**

**County Goal 3:** *Self-reliant. People achieve success with the support of essential services, have access to affordable housing and opportunities for life-long learning.*

**County Goal 6:** *Engaged. People are informed, actively involved in building their community, and have opportunities to be involved in the identification of critical issues and desired results.*

- **Care:** All MBC activities help to preserve and maintain the historic Minneapolis City Hall and Hennepin County Courthouse building, as well as access to government operations. The building is over 100-years-old and listed on the National Register of Historic Places. MBC staff strive to ensure that this landmark building will be around for many generations to visit and learn about as well as access and engage in critical government functions. Key City departments housed in the building include the Mayor's Office, City Council and City Coordinator. Key County departments located in the building include the Adult Detention Center, Arbitration and Conciliation Court, and Sheriff's Office.
- **Control:** The Municipal Building Commission Board meets on a regular basis throughout the calendar year. All meetings are posted and open to the public. Decisions regarding building care and management aim to enhance community engagement. The MBC strives to make the building more welcoming to the public and has participated in planning and coordinated various events including concerts in the Rotunda, speakers during Black History Month, Halloween Spooktacular and the September 11 Commemorative Event. Free building tours are offered in which City and County employees, student groups, visitors and the general public may learn about the building and the departments within the building. Because of the public nature of the building, the MBC receives many suggestions on how the building may be improved and incorporates ideas, where applicable. Public input also has been sought in such circumstances as the search for the murals that once hung in the old City Council Chambers and information on historic paintings found in the basement of the building. MBC staff routinely partner with City and County staff to complete projects, strengthen relationships and make efficient use of resources.

**County Goal 4:** *Assured Due Process. People are assured equal protection of the laws through an adversarial and respectful system designed to assure fairness and reliability in the ascertainment of liability, guilt and innocence.*

**County Goal 5:** *Mobile. People and goods move easily and safely throughout the county and the region via an integrated system of transportation.*

- **Care:** The MBC plays an integral role in providing a safe and functional work environment for the following County departments: Adult Detention Center,

Arbitration and Conciliation Court and Sheriff's Office. Furthermore, as light rail transit comes on-line in 2004, the MBC will be included in the "Government Center Station" stop.

A complete list of City of Minneapolis and Hennepin County goals is listed in the appendix.

## **Key Trends & Challenges Impacting the Department**

MBC staff identified several trends and challenges impacting the agency currently and over the next five years.

### **Mechanical and Life Safety Systems Upgrade Project**

The mechanical portion of the Mechanical and Life Safety Systems (MLSS) upgrade capital project involves renovation of heating, ventilating and air conditioning systems in the City Hall and Courthouse building. Life safety improvements include installation of sprinklers, fire alarms, smoke detection and public address systems; updating building exits and stairs; and installing fireproofing, smoke barriers and purge systems. In 2001, the MBC initiated the 23-stage, multi-year MLSS project. The implementation method protracted construction over a 12-year period to match funding ability of the City of Minneapolis. The goal is to replace tattered and failing systems before they collapse, and implement life safety components in 40 percent of the building where none currently exist. There is significant potential for total failure of systems that are two decades beyond their expected life cycle as well as potential safety risks for building tenants and visitors. Even with adherence to the current 12-year project schedule, the MBC may need to vacate portions of the building because of system failures.

MLSS project work requires gutting of spaces for implementation of mechanical and life safety systems, which presents a prime opportunity for removing asbestos and completing much needed routine repair and maintenance. Repair and maintenance work includes replacing inefficient electrical wiring and lighting; integrating light panels to increase energy efficiency; separating wiring for lights from outlets; installing new electrical systems on separate circuits to reduce the potential for circuit overload; coordinating the installation of code compliant telephone and computer wiring; removing radiators to reduce the use of steam; and installing new ceiling grids and tiles, carpeting, and paint. This work is being supported through the MBC operating budget at a cost of approximately \$475,000 annually. A majority of annual routine and preventative maintenance work is being focused in MLSS project areas instead of other areas in the building. Further budget reductions threaten the MBC's ability to sustain and continue MLSS project work.

Aside from the MLSS project, several other important projects are competing for capital funding including tower elevator and clock tower elevator upgrades, tower clock improvements, and building waterproofing. Because of limited resources, however, all of the capital funding the MBC receives is being funneled into the MLSS project for the next

decade. The inability to complete capital projects such as those mentioned as well as unplanned events that arise could pose issues in the areas of safety and building functionality.

### **Escalating salary and fringe costs, and lack of non-personnel appropriation increases**

Salary and fringe costs continue to increase each year. Cost of living increases for AFSCME union employees increased by more than 3 percent in 2001 and 2002 while building trade union employees experienced annual increases each year from 2001 to 2004 ranging from 4 to 6 percent. Healthcare costs also have grown by about 20 percent each year in 2002, 2003 and 2004. Increases in salary and fringe are being absorbed in conjunction with budget reductions making it difficult for the MBC to maintain current staffing levels.

Tenant and building needs are not diminishing, leaving the need for personnel even greater. Work order totals for the agency in 2002 equaled 5,613 (this figure does not account for capital projects, work for others projects, all preventive maintenance or routine custodial work performed in the building on a daily basis). The agency's current staffing compliment is not able to keep pace with building project work, preventive maintenance activities, and unplanned systems and equipment failures. Reductions in personnel will translate into reduced services for building tenants and overall diminished care of the building.

For several budget years, non-personnel appropriations -- utilities, paper and cleaning supplies, parts and supplies for building equipment and systems, tools, education and tuition reimbursement -- also have remained flat or have been reduced. The true cost of non-personnel items, however, has continued to go up with inflation leaving the MBC with less buying power. Lack of appropriation increases in non-personnel coupled with rising personnel costs have left the MBC with shrinking resources. Inability to purchase needed supplies and equipment for project work, and routine corrective and preventative maintenance jeopardizes the continued vitality of the historic landmark City Hall and Courthouse building. Furthermore, lack of funds for staff development and education deprives the agency of the efficiencies and enhancements that come from well-educated employees, and lowers the agency's ability to compete in the job market.

### **Maintaining and enhancing building security**

Due to the events of 9-11 and other recent incidents in government facilities, concern over security in the City Hall and Courthouse building has grown. MBC staff worked with City and County staff to develop a proposal for implementing and improving building security systems, and contracting for uniformed personnel trained in the area of security measures and first responding. To ensure the safety of tenants, visitors and property, continuation of the agency's security program is imperative. The building is in need of additional closed circuit television monitoring cameras and expansion of the access control system. Furthermore, it is crucial for the MBC to have the resources to detect what is happening in the building through either human or electronic means, and maintain skilled staff for assessing threat levels, and responding to medical emergencies and critical situations.

Continued budget reductions may require the MBC to pare down or eliminate the building security program. Lack of security equipment and uniformed presence in the building will make the MBC an easier target for possible terrorist activities, and result in lower levels of safety for tenants and visitors.

### **Agency communication**

As part of the MBC's business plan development process, staff administered several surveys including an employee survey. MBC staff were asked to voluntarily complete the survey and were informed that their responses would be kept anonymous. The survey asked questions related to staff opinions on agency strengths and weaknesses, impressions on training classes and safety procedures, agency communication, and other miscellaneous suggestions or concerns. Overall results of the survey were very positive. Staff did, however, identify an area needing improvement: management-employee communication. Sixty-two percent of staff responding to the survey did not feel that the MBC kept employees well informed on employee-related matters. In addition, staff highlighted management-employee relations as an agency weakness. MBC management strives to provide two-way communication with agency employees. Managers employ an open door policy, all staff meetings are held on an annual basis, and staff are engaged in project planning and execution. Further strategies will be explored for improving and enhancing agency communication.

### **Workforce diversity**

The MBC recognizes the importance of developing and maintaining a diverse work staff to parallel the diverse communities in which we work and live. In the custodial and security division of the agency, MBC staff have made an attempt to diversify the staff by hiring people of color and female candidates. Agency hires over the past 2 years have resulted in diversifying the workforce with people of color and one woman. The number one overall obstacle to diversifying the workforce is the lack of open positions to be filled. In addition, an observed obstacle to hiring women is that many entry level positions require night, over-night and weekend shifts, which can be difficult to integrate into an employee's family structure. The ability to effectively communicate using the English language has been an obstacle in hiring and maintaining a diverse workforce as well. The MBC works with outside agencies to translate employment information and provide bilingual training for employees who do not speak English as their first language; however, a minimal basic amount of English is required in order to start in the job.

In the building trades division of the agency, open positions are hired through the respective labor unions. Candidates are trained in their labor unions apprentice programs, which range from 5 to 7 year programs. Applicants must apply to participate in the labor union's apprentice program. Although, the MBC hires from the labor unions' apprentice programs, the MBC does not have input on the diversity of employees who are selected to participate in the labor union apprentice programs. People of color and women participating in apprentice programs are desirable employees and may have the unique ability to select an employer.

Public agencies like the MBC are not always capable of meeting salaries and benefits

offered by private organizations who may be in the position to offer incentives such as financial bonuses, expedited timelines or parking reimbursements. Regardless of the challenges involved, the MBC has a history of and will continue to work to maintain a diverse workforce.

### **Revenue opportunities**

To help mitigate the impacts of future budget reductions and lessen dependence on property tax revenues for supporting agency activities, MBC staff are in the process of exploring new sources of revenue. Potential new revenue streams include grant awards, implementation of a café/deli, renting out spaces in the building such as the Rotunda, City Council Chambers and District Courtrooms for special events, expanded vending, and sale of City Hall and Courthouse memorabilia.

## **Section Two: Primary Business Line Overviews**

- Primary Business Line Definitions
- Service Activities
- Identification of Markets, Customers and Their Expectations
- Key Performance Measures
- Relationship to Other Departments' and Agencies' Businesses

## **Business Line: Care**

### **Care Business Line -- Definition**

This business line is responsible for operating, maintaining and preserving the building through custodial, utility, repair and maintenance, preventive maintenance activities, and tenant space and capital improvements.

### **Care Business Line -- Service Activities**

The Care Business Line has the following service activities:

1. **Repair and Maintenance Services**: Provide regular and on-going repair, maintenance and replacement of all internal and external building systems, equipment, wall structures, floors, doors, windows, restrooms, conference rooms, court rooms, office suites and the Hennepin County Adult Detention Center. These activities include carpentry, electrical, fire alarm and suppression, heating, cooling and ventilation, painting and plumbing services.
2. **Preventive Maintenance Services**: Provide regular and on-going preventive maintenance of all building systems, equipment, structures and flooring. These activities include carpentry, electrical, fire alarm and suppression, heating, cooling and ventilation, painting and plumbing services.
3. **Capital Project Implementation**: Design, procure and construct capital projects.
4. **Work for Others Project Implementation**: Design, procure and implement work for others projects as requested by building tenants. Services provided include design and construction services.
5. **Custodial Services**: Provide cleaning of all exterior grounds and interior spaces including office spaces, restrooms, conference rooms, court rooms, Hennepin County Adult Detention Center and public areas of the building. Provide and restock paper and soap products in restrooms, and provide trash pick-up and recycling services.
6. **Utility Services**: Provide utility services for all building tenants including carpet cleaning, window washing, lamp replacement, resilient floor refinishing, construction clean-up, load and unload deliveries, snow removal, event set-up and internal moves.

### **Care Business Line -- Identification of Markets, Customers and Their Expectations**

Primary customers of the Care Business Line include City Hall and Courthouse building tenants, City and County policy-makers, City and County department staff, constituents,

and public visitors. As part of 2004-2008 Business Planning activities, the Municipal Building Commission administered several surveys in September 2003 including City Hall and Courthouse building tenants, City and County staff who work with the MBC on projects, and visitors. The intent of the surveys was to determine satisfaction with services provided by the agency and whether the MBC is fully meeting the needs of our customers. Overall results of these surveys were positive:

- Most building tenants felt that the MBC completed requests within a timely manner. Experiences with getting work requests resolved were rated at very good to excellent by a majority of respondents. In addition, most tenants felt that all building areas are clean and that building systems are maintained in good working order. Tenants identified issues with temperature control and elevator functions.
- Opinions from City and County project partners on overall project outcomes were favorable and indicated that the MBC produces quality results.
- Most visitors reported that the building was clean and well maintained.

The MBC also tracks work requests through the agency's automated maintenance system -- MicroMain. When tenants call for service a work order is issued to track the request through completion and ensure that the issue is resolved. In 2002, 5,613 work orders were issued. To date in 2003, close to 4,700 work orders have been issued. Data on the length of time to complete a work order also is documented. In 2002, on average, 70 percent of work orders issued on a weekly basis were completed within a week of being issued. The agency's automated maintenance system is currently not configured to capture data on capital projects, work for others projects and routine work completed on a daily basis such as custodial cleaning spots. In addition, the system has not been fully developed for tracking preventive maintenance work completed in the building.

The Hennepin County Adult Detention Center (ADC), which is housed on the fourth and fifth floors of the building, also conducts a regular facility survey. Every three years an outside agency performs an audit of the ADC to ensure that Minnesota Department of Corrections and Minnesota Department of Health standards are being met for inmate health and safety. The MBC in its role to maintain the ADC facility has regularly passed the audit meeting required standards.

Customers of the MBC Care Business Line will most likely continue to expect the same level of service from the MBC or demand more services in the future. A combination of increased citizen demand for services and budget shortfalls will result in a greater workload per staff person. The need for a clean, safe, functioning and quality environment in which citizens access government services and City and County staff conduct work will not go away, regardless of the resources available to facilitate the work. As the facility manager for the City Hall and Courthouse building, the MBC will need to continue to operate and maintain the building so that City and County departments can perform their business functions, and visitors can get information and services they need. Continued budget reductions will have significant implications for the agency's ability to continue to meet current service level expectations, care for the building and continue with capital

project upgrades such as the MLSS project.

The age of major building systems is having a big impact on the agency's ability to maintain the building. Unplanned equipment failures, repairs and replacements are utilizing significant amounts of staff time and financial resources. Needed preventive maintenance work is being delayed due to lack of adequate human resources and unplanned outages. In addition, many parts of the building are lacking life safety infrastructure such as fire alarms, strobes, public address system and sprinklers.

A multi-year project to upgrade mechanical and life safety systems in the building began in 2001. The MLSS project incorporates fresh air, heating and cooling system upgrades as well as updating the building to modern day safety standards. Much needed routine repair and maintenance work also is being completed in conjunction with this project in department spaces. The routine repair and maintenance work involves updating ceilings, carpeting, paint, and electrical lighting, outlets and switches.

Other areas in the building warrant capital project funding as well. Due to current budget shortfalls, these important projects are not being funded. As a result, all resources are being directed toward the MLSS project. As these projects continue to go unfunded, eventually systems breakdown and parts fail requiring more costly reactive measures to remedy the situation.

As the MBC completes MLSS project upgrades and replaces other outdated systems and equipment in the building it is likely that unplanned corrective maintenance work will decline. A reduction in reactive work such as corrective maintenance will allow management staff to increase activities in the area of planned preventive maintenance and, thereby, further reduce corrective maintenance work tasks. The agency is working to develop and implement a preventive maintenance program for the building. Due to project work load and staff shortages, a complete program has not been implemented. Continued funding shortages will further damper efforts to fully develop this program.

## **Care Business Line -- Key Performance Measures**

The following outcome and performance measures have been identified by the Municipal Building Commission for the Care Business Line.

### **Outcome Measures – Care Business Line**

- A. Percent of tenants satisfied with overall repair and maintenance services
- B. Cost of repair and maintenance services per square foot
- C. Total square footage of all capital projects completed
- D. Total square footage of all work for others service requests completed
- E. Percent of customers satisfied with space updates completed in conjunction with MLSS Project
- F. Percent of tenants satisfied with work for others services
- G. Percent of tenants satisfied with overall cleanliness of building
- H. Cost of custodial services per square foot

- I. Cost of utility services per square foot

**To report to policy-makers:**

1. Number of square feet maintained per trade staff FTE
2. Cost of unplanned system and equipment outages or failures
3. Rating for annual health and safety inspection in the Hennepin County Adult Detention Center
4. Pass American Corrections Association accreditation for the Hennepin County Adult Detention Center (occurs every 3 years)
5. Percent of Mechanical and Life Safety Systems Upgrade Project complete
6. Number of square feet of occupied space assigned per custodial FTE
7. Number of occupied and unoccupied square feet assigned per utility FTE
8. Percent of work orders completed within 3-5 days of issue by work group and type

**For management purposes:**

1. Number of work orders issued by work group and type
2. Number of work orders closed by work group and type
3. Number of work for others service requests opened and closed
4. Number of labor hours charged to jobs and projects by work group
5. Percent of assets and work tasks meeting preventive maintenance schedule
6. Percent of assets beyond expected lifespan
7. Number of tons of recycling and garbage collected
8. Percent of custodial and utility inspections passed

## **Business Line: Control**

### **Control Business Line -- Definition**

This business line is responsible for administrative functions including serving as staff to the MBC Board, implementing Board directives, space assignment and coordinating City and County tenant needs as well as project management, planning, emergency preparedness, security, communications, human resources, labor relations, contract services, information technology, finance, accounting, payroll, and operating and capital budgeting activities.

### **Control Business Line -- Service Activities**

1. Agency Administration: Serve as staff to the MBC Board. Schedule Board meetings, compile minutes, provide updates, present requests for action and implement board direction. Perform human resource activities. Recruit, hire and develop MBC workforce. Administer fringe benefits and workers' compensation programs. Develop, schedule and administer agency training. Administer AFSCME and Building Trades contracts. Manage all contracts, agreements and professional service agreements. Perform accounting, finance and budgeting activities.

2. Communication: Communicate appropriate information to employees, building tenants and visitors. Maintain and update agency Intranet and Internet Web sites for providing information on the MBC Board and the City Hall and Courthouse building. Manage building tour program and coordinate miscellaneous events for building tenants and the public.
3. Capital and Work for Others Project Planning and Management: Identify, plan, and develop funding requests through City and County capital funding processes for capital projects. Provide professional construction, project management and budget tracking for capital projects and services requested by building tenants.
4. Security Services: Provide 24-hour, 7-day-per-week security services for tenants, staff and visitors including uniformed security staff presence and first responders (business hours only), access control, alarm and closed circuit television monitoring, escorts, and routine building and grounds patrols. On an on-going basis, determine, develop and implement appropriate security initiatives and physical plant enhancements.
5. Emergency Response and Planning: Provide planning and training, and conduct drills for fire and severe weather. Provide procedures for dealing with civil disturbances and bomb threats as well as all other emergency or public safety situations in the building. Review and update emergency response plans on a regular basis.

### **Control Business Line -- Identification of Markets, Customers and Their Expectations**

Primary customers of the Control Business Line include MBC Board members, MBC employees, City and County policy-makers, City Hall and Courthouse building tenants, City and County department staff, constituents, visitors, and vendors and consultants that work with the agency. As part of 2004-2008 Business Planning activities, the Municipal Building Commission administered several surveys in September 2003 to MBC Board members, MBC employees, City Hall and Courthouse building tenants, City and County staff who work with the MBC on projects, visitors, and vendors and consultants. The intent of the surveys was to determine satisfaction with services provided by the agency and whether the MBC is fully meeting the needs of MBC Board members, tenants, project partners, constituents, visitors and staff. Overall results of these surveys were positive:

- MBC Board members indicated that staff are effectively implementing Board direction; staff are professional and highly skilled; and the mission statement adequately reflects agency activities.
- MBC employees reported that staff knowledge, skills and abilities, historic preservation work and management leadership were significant strengths of the agency. Weaknesses communicated included poor employee-management communication, reactive work processes and lack of adequate resources for

performing agency work. A majority of employees felt that the MBC provides adequate staff training and education, and safety procedures.

- Most building tenants felt that MBC staff are professional, accessible and produce quality results. When asked about services tenants would like to see offered and services they felt were unnecessary, no one category received a significant number of responses. Security services implemented in early 2003 were seen as very or extremely important by over half of tenant respondents. A majority of tenants completing the survey were aware of emergency procedures for fires, severe weather, civil disturbances and bomb threats. In addition, tenants reported that they felt the MBC does a good job of keeping tenants informed of important building-related matters.
- Project partners were very satisfied with MBC staff knowledge, skills and abilities, and MBC project planning and management abilities. City and County partners felt that the MBC provided clear communication and expectations related to project work.
- Vendors and consultants provided high marks for MBC communication skills, project management, and staff knowledge, skills and abilities. One hundred percent of vendors and consultants surveyed reported that they would work with the MBC on future projects.
- Visitors surveyed reported positive experiences with MBC Information Desk staff. Visitors seeking directions were able to easily find their destinations and did not wait long for assistance. In addition, most felt that building directories and signage were clear and easy to read. Knowledge of the free building tours offered by the MBC was low and indicated a need to work on marketing this activity to members of the public.

As the steward for the City Hall and Courthouse building, the MBC also works to engage the public in learning more about the rich heritage of this facility. Free tours are offered on a monthly basis and by appointment. Tour participation totaled 1,070 in 2002. In addition, the MBC maintains a public Internet and internal employee accessible Intranet Web sites. The sites provide general information about the MBC Board, meeting schedules and meeting minutes, project updates, and historical photos and facts as well as instructions for accessing building services and dealing with emergency situations. Visits to the Internet site totaled 8,403 in 2002.

Customers of the MBC Control Business Line will most likely continue to expect the same level of service from the MBC or demand more services in the future. According to the Minnesota State Demographer, state population growth from 2000 to 2010 is expected to be substantial. About 81 percent of all growth will occur in metropolitan areas, with 73 percent of the gain in the Minneapolis-St. Paul metropolitan area alone. As the surrounding area continues to grow and diversify, public demand for government services will increase. As the facility manager for a building that houses City and County departments, the Municipal Building Commission plays a vital role in providing services to citizens. Cost effective facility space is important for an organization to conduct business, and meet their mission and goals. Furthermore, MBC front-line staff provide direct services to public visitors to the building.

Budget shortfalls have greatly impacted and will continue to impact all levels of government including the MBC. Demand for government services will continue to increase at the same time that resources for providing these services are being reduced. To meet budget criteria, government entities will probably have to cut staff. As a result, fewer staff will be expected to take on the work of completing more tasks without impacting quality of work or levels of productivity.

Other factors also have impacted demand for MBC services. Until April 2003, the agency provided physical plant security off-hours and on weekends. The events of 9-11 and other recent incidents at local government facilities have identified a need for business hour security staff to respond to duress alarms and provide first responder services. In addition to staffing, the MBC is continuing to focus attention in the area of capital security improvements and enhancements. Work was completed in 2003 to install both intrusion alarms and duress alarms in selected areas of the building. Additional closed circuit television cameras will be installed around the perimeter of the building and connected to the Hennepin County Security Operations Center in the Hennepin County Government Center. To meet customer needs and expectations, further security improvements will be implemented including expansion of access control to additional entrances/exits in the building.

Finally, in the event that the agency implements a café/catering venture in the building, visitor demands on the building will grow significantly. This business venture is currently in the feasibility stage. Final decisions on the viability of the café/catering operation will be made in early 2004. Demands and associated resource needs in this area would be offset by incoming revenue from these activities.

## **Control Business Line -- Key Performance Measures**

The following outcome and performance measures have been identified by the Municipal Building Commission for the Control Business Line.

### **Outcome Measures – Control Business Line**

- A. Percent of employees reporting positive responses on agency communication, management-employee relations, training and safety
- B. Percent of workforce that are women and people of color
- C. Annual City Capital and Long-range Improvement Committee comprehensive rating per capital project funding request
- D. Percent of capital projects funded by County Budgeting Task Force
- E. Cost of work for others activities per square foot and per project manager
- F. Cost of capital projects per unit and per square foot, and per project manager
- G. Percent change in utility costs
- H. Percent of tenants satisfied with security services and agency emergency procedures
- I. Cost of security services per square foot
- J. Conduct annual fire evacuation drill and severe weather drill

**To report to policy-makers:**

1. Number of Board agenda items processed by staff
2. Final year-end operating budget expense and revenue totals
3. Number of hours of time away from work due to work-related injuries
4. Percent of jobs and projects completed on time and within budget
5. Percent of overhead charged per project
6. Number of square feet of capital and work for others projects managed per Project Manager
7. Number of occupied and unoccupied square feet assigned per security FTE
8. Number of security incidents opened and closed by type of incident
9. Number of emergency incidents (i.e., fires, civil disturbances, bomb threats) encountered by type of incident

**For management purposes:**

1. Number of MBC Board meetings
2. Number of All Staff meetings conducted
3. Number of grievances and harassment complaints
4. Number of work-related injuries per year by type of injury
5. Number of training sessions offered by type of training class and OSHA designation
6. Percent of employee turnover
7. Percent of design cost in relationship to total project cost
8. Percent of cost of change orders in relationship to overall project cost
9. Percent of overhead charged per project
10. Number of minutes to evacuate the building during a fire drill
11. Number of false alarms (fire)

## **Business Lines: Relationship to Other Departments' and Agencies' Businesses**

The City of Minneapolis and Hennepin County jointly own the Minneapolis City Hall and Hennepin County Courthouse building; however, neither entity is a provider of services related to management and care of the building. The MBC was established as independent, joint City-County Board to coordinate the interests and meet the needs of both entities in regards to the building by caring for the building, preserving the building and its history, and serving City and County tenants, policy-makers and public visitors.

As directed in state statute 383B, the Municipal Building Commission is the sole provider responsible for operating, maintaining and preserving the historic Minneapolis City Hall and Hennepin County Courthouse building (including the Hennepin County Adult Detention Center) through custodial, utility, repair and maintenance, preventive maintenance activities, space improvements, and capital improvements. In addition, the Municipal Building Commission is the sole provider responsible for administrative functions including serving as staff to the MBC Board, implementing Board directives, space assignment and coordinating City and County tenant needs as well as planning, emergency preparedness,

security, communications, human resources, labor relations, training, contract services, information technology, finance, accounting, payroll, and operating and capital budgeting activities.

The City Hall and Courthouse building is over 100-years-old. Many building systems are outdated and operating beyond capacity. Over the decades the building has been in operation various work has been completed with no record or documentation. Due to the age and condition of systems, and unknown factors involved in building project work, facilities management practices employed in newer, modern buildings are not effective. Solid project management, use of skilled labor and reliance on institutional knowledge play an integral part in the Municipal Building Commission's ability to preserve and maintain the building.

The MBC reports to a board consisting of two City of Minneapolis and two Hennepin County elected officials. MBC staff serve the Board and work to implement Board directives. Staff also try to employ already established City and/or County administrative methods, policies, systems and processes in the organization, wherever possible. However, due to the independent nature of the agency, certain functions are performed and coordinated by internal MBC staff.

The MBC plays an important role in ensuring that the interests of both the City and County are considered in all decisions impacting the maintenance and care of the building. Furthermore, tenancy of the building is comprised of City and County staff. The MBC serves an impartial role in meeting the needs of staff from both entities.

Staff from City and County Property Services Departments act as facility managers for all City and County owned and leased properties, respectively. These staff also perform certain functions for City and County departments located in the City Hall and Courthouse building and serve as the primary contact for such services as space planning, designs and reconfigurations, computer and phone connectivity, and furniture purchases, etc. MBC staff work to communicate overarching building-related policies and procedures to City and County staff and communicate Board priorities. The MBC oversees all activities in the building and serves as the primary contact for all building-related matters, building policies and project work including construction build-out and improvement projects. MBC staff are utilized for completing all work. In addition, staff work to ensure high quality of work and historic preservation, and mediate tenant needs in accord with building maintenance and preservation.

Several public and private agencies have a direct impact on the work of the MBC "care" and "control" business lines:

- **Federal and State Governments:** Legislation and resource allocation at these levels of government have a significant impact on the activities and service levels provided by the MBC.
- **Hennepin County Board, Minneapolis Mayor and City Council, and Other Policy-Makers:** Hennepin County and City of Minneapolis policy-makers

comprise the MBC Board. Decisions put forth from this body dictate and inform MBC activities. In addition, input from other policy-makers impacts functions of the MBC.

- **City and County Budget Offices:** City and County Budget Offices outline criteria for and provide recommendations on annual agency operating and capital budgets.
- **City and County Property Services:** These staff perform various functions for City and County departments located in the City Hall and Courthouse building. MBC staff work with City and County Property Services to coordinate tenant needs and partner on projects to enhance results. Barring more restrictive building-related policies, MBC staff aid City and County Property Services staff in applying various policies for City and County departments located within the building. MBC staff also consult with City and County staff to gain input on projects or issues, where relevant.
- **Hennepin County Adult Detention Center:** The City Hall and Courthouse is home to the 500-bed Hennepin County Adult Detention Center (ADC) located on the fourth and fifth floors of the building. The MBC cares for and maintains all ADC space; however, the Minnesota Department of Corrections (DOC) outlines several guidelines and standards related to maintenance of correctional facilities. As a result, the MBC has altered service levels to accommodate ADC needs and ensure that this organization meets DOC accreditation criteria. Furthermore, work activities are completed in consideration of guidelines communicated by the ADC due to the secure nature of this space, and the need to protect and house inmates.
- **City of Minneapolis, Benefits Office:** The MBC works with the City Benefits Office to provide healthcare, pension and other fringe benefits to agency employees. Benefits options and costs are stipulated by the City Benefits Office.
- **City of Minneapolis, Fire Department:** Minneapolis Fire Department regulations apply to all building spaces and MBC agency activities. The MBC has consulted with the Fire Department on emergency egress and evacuation procedures for the building.
- **City of Minneapolis, Regulatory Services:** City building codes and ordinances as well as permit requirements apply to all building spaces and MBC agency activities.
- **City of Minneapolis, Contract Management and Procurement:** The MBC works with the City Contract Manager to review, document and track all agency contracts for professional services. In addition, City procurement policies apply to MBC purchasing activities.
- **City and County Human Resources:** MBC staff consult with City and County human resources on employee-related matters, and have implemented various policies from both entities. The MBC utilizes the City human resources computer system to track and store information on all MBC employees.
- **City Risk Management:** The MBC works with City Risk Management to provide workers' compensation services and seek guidance in applicable situations.
- **City and County Attorney's Office:** MBC staff consult with City and County Attorney's in legal matters, when necessary.

- **All City and County Departments Located in the City Hall and Courthouse:** All City and County tenants in the building impact the work of the MBC. The agency receives input, feedback and suggestions on work activities and policies on a regular basis and implements recommendations, where feasible and applicable. In addition, the MBC is here to serve building tenants; agency work activities are directly impacted by tenant requests, issues and needs.
- **Visitors to the City Hall and Courthouse Building:** The agency receives input, feedback and suggestions from visitors to the building on a regular basis and implements recommendations, where feasible and applicable. In addition, the MBC is here to serve public visitors; agency work activities are directly impacted by visitor requests, issues and needs.
- **Various Private Entities:** The MBC works with private contractors, vendors and consultants such as architects, engineers, fire suppression firms, mechanical firms, etc. on a regular basis.

Several public and private agencies are directly impacted by the work of the MBC "care" and "control" business lines:

- Through care and maintenance of the building, the MBC directly impacts several public entities by providing space for departments to do their work that is clean, safe and suitable for occupation. Entities directly impacted by the MBC include: Hennepin County Board, Minneapolis Mayor and City Council, and other policy-makers, all tenants in the City Hall and Courthouse building (including the City Coordinator, City Finance Department, City Fire Department, City Police Department and Emergency Communications Center, City Information Technology Department, County Sheriff's Office, County Adult Detention Center, and County Arbitration and Conciliation Court).
- The MBC also impacts public visitors who come to the building to interface with departments located in the City Hall and Courthouse or pass through the building on their way to other locations in the area. The MBC maintains and cares for the building and provides a safe and functional atmosphere.
- The larger community benefits from work of the MBC through the agency's efforts to maintain the physical aspects of the building for generations to come as well as the building's history. Furthermore, the agency provides the community with a direct link to its municipal and county government offices.
- MBC staff work with City and County Property Services to coordinate tenant needs and partner on projects. City and County Property Services staff serve as the primary contact for such services as space planning, designs and reconfigurations, computer and phone connectivity, and furniture purchases, etc. The MBC is the primary contact and project manager for all building-related matters and communicates building-related policies. MBC staff aid City and County Property Services staff in applying various building policies for City and County departments located within the building.
- The MBC works with private contractors, vendors and consultants such as architects, engineers, fire suppression firms and mechanical firms on a regular basis.

## **Section Three: Key Initiatives and Other Models of Providing Service**

- Key Initiatives
- Assessment of Other Models of Providing Service

## Key Initiatives

The Municipal Building Commission has identified the following key initiatives. The initiatives identify a mix of activities that will be accomplished within the next five years as well as on-going activities that are expected to carry on beyond 2008. Information is presented on initiatives that are department-wide and those that are specific to agency business lines. A more detailed explanation of each initiative follows the summary list below.

### **Department-wide Key Initiatives**

- Revenue Generation Options and Grant Opportunities
- Information Systems and Web Site
- Energy Conservation

### **Business Line Key Initiatives**

#### **Care Business Line**

- Mechanical and Life Safety Systems (MLSS) Upgrade Project
- Asbestos Abatement
- Routine Repair and Maintenance throughout Department Spaces
- Preventive Maintenance Program and Equipment Replacement
- Building Recycling Program

#### **Control Business Line**

- Security Initiative
- AutoCAD Drawing Updates
- Multi-lingual Signage Project

### **Department-wide Key Initiatives**

#### **Revenue Generation Options and Grant Opportunities**

The Nation as a whole has experienced a slow economy since early 2001 and was impacted even more after the September 11, 2001 terrorist attacks on the World Trade Center and Pentagon. This economic downturn has impacted Minnesota at the state, county and local levels. Minnesota citizens have lost their jobs and the short-term unemployment outlook does not show a significant increase in the coming months.

Economic impacts at the federal government level have been felt at the state level. Not only are Minnesota government entities experiencing lower collections in sales, income and property taxes but federal funding for various programs and services have been diminishing as well at the same time that mandates for states and counties have been increasing. State and local governments are left with the responsibility for providing increased levels of service to citizens at the same time that financial resources are

shrinking.

Feeling the economic crunch, state legislators have reduced funding to county and local governments. Specifically, local government aid to cities was reduced across the state with some legislators proposing to eliminate local government aid altogether. Local governments are slated to receive LGA in 2004; however, it is uncertain whether the current level of funding will continue in subsequent budget years or how much, if any, it will be reduced.

While resources to government entities are decreasing, costs for personnel, benefits, utilities, supplies and materials to do business continue to grow. As the cost of doing business goes up and the level of service expectation remains the same or greater, government organizations are faced with tough choices. The challenges of managing and maintaining an historic facility also put added strain on resources for the Municipal Building Commission due to often incomplete information for completing projects and the inventive methods that must be employed for getting work done.

Shrinking resources have impacted the MBC in the form of budget reductions over the last several budget cycles. To help mitigate impacts of these reductions and identify non-property tax revenue resources, MBC staff have identified several potential external revenue sources as outlined below:

- **Deli/Café:** Similar to Hennepin County libraries and other public entities, a Request for Proposal has been issued for establishment of a gourmet deli/café in the City Hall and Courthouse. The RFP was released on January 5, 2004, final selection of the deli/café vendor will occur in April 2004, and after space design and build-out is completed the new operation will be open for business tentatively in March 2005.
- **Rental Space:** Key locations in the City Hall and Courthouse such as the Rotunda, City Council Chambers and Hennepin County District Conference and Courtrooms will be made available for special events, weddings and meetings. Patrons will use internal catering facilities, event set-up and equipment. A Request for Proposal for the catering operation was sent out on January 5, 2004. It is expected that the space rental operation will be implemented by March 2005.
- **Vending Sales:** Space in the City Hall and Courthouse will be made available for a vendor to operate various vending machines. A Request for Proposal for a vending contract was issued on January 5, 2004. Vending machines will be accessible 24-hours-per-day and 7-days-per-week, and will offer a variety of gourmet coffees, sodas, water, juice, milk, snacks, salads, yogurt, fruits, pastries, sandwiches, and candy.
- **Market Building Memorabilia:** Postcards, Municipal Monument books, hats, sweatshirts, mugs and other items would be made available for sale on-line through the agency's Web site. MBC staff are in the process of further exploring the cost effectiveness from these sales and the steps necessary for implementing such an endeavor.

- **Grant Funding:** MBC staff would work to develop a closer relationship with the City of Minneapolis, Grants and Special Projects office as well as other City and County departments who receive grant funding to identify grant opportunities, and provide technical assistance.

Funds from the revenue opportunities listed above will be funneled into a special Historic Preservation Fund for the City Hall and Courthouse building. "Historic Preservation" includes any and all activities both operating and capital in keeping with the agency's mission to provide effective and efficient services to operate, maintain and preserve the historic landmark Minneapolis City Hall and Hennepin County Courthouse building, and ensure a safe and functional environment for City and County government employees, citizens and elected officials. All funds will be accounted for in a Special Revenue Fund according to City of Minneapolis accounting practices; any unspent funds remaining at the end of the calendar year will go into an MBC fund balance and will be carried over into the next calendar year. Furthermore, all projects utilizing MBC Historic Preservation Funds will be brought before the MBC Board for approval.

Resources obtained from the revenue options outlined in preceding paragraphs will allow for the continued vitality of important agency activities and programs, and, foremost, preservation of an historic icon. Furthermore, these activities will help to raise public awareness about the City Hall and Courthouse building as well as the City of Minneapolis and Hennepin County. People will come to the building for special events or purchase building-related memorabilia and at the same time have the opportunity to learn about a 100-year-old community treasure. The MBC revenue initiatives also will help support City and County goals by reducing tax payer costs, preserving the historic City Hall and Courthouse, fostering economic development, building community, and supporting key City and County functions performed by departments located in the building.

Limited initial investment will be necessary to bring the revenue opportunities to reality. Once the deli/café and catering and space rental operations are implemented and functional, the MBC will have minimal on-going administrative expenses that will be supported by proceeds generated from the program. Feasibility of moving forward with memorabilia sales and grant funding still needs to be determined, and deemed profitable enough to implement.

### **Information Systems and Web Site**

The MBC has implemented and continues to develop and enhance several automated systems including: Aperture, Energy Management System and MicroMain. In addition, the MBC currently maintains Intranet and Internet Web sites for policy-makers, City and County employees, and members of the public to access information about the MBC and City Hall and Courthouse Building. Brief summary descriptions of these systems follow:

- **Aperture:** A computer aided facilities management (CAFM) software program. Aperture is used by the MBC for providing readily accessible, up-to-date and accurate information on space utilization within the Minneapolis City Hall and Hennepin Courthouse building. Aperture is a powerful software tool for storing,

displaying and analyzing complex facility information. Visual functions depict layers of drawings for entire floors or can be used to zoom into specific department areas, office groups or even individual offices. Users also can select from a number of reports showing data such as department location in the building or usable space by floor and agency. Availability of this data makes it possible for the MBC to expedite design services and renovations, determine building usage, quickly relay information and make informed management decisions.

- **Energy Management System:** MBC staff are in the process of planning for and implementing an energy management system. This system will automate electrical and heating, ventilation and air conditioning systems. Energy consumption will be tracked and readily accessible. In addition, staff will have greater control over management and operation of these systems via computerized means. The MBC Energy Management System will help support more efficient use of energy throughout the building.
- **MicroMain:** An automated maintenance software package used for facilities management. MicroMain is a customizable software package that is tailored to meet the needs and business operations of the MBC. The program issues, assigns and tracks work orders for routine, corrective and preventive work activities by location and type of equipment. Use of this software allows the agency to compile summary information on work volume and gauge outcomes such as the length of time to complete work requests as well as the labor time involved in completing various types of work. MicroMain fosters enhanced planning and evaluation of resource allocation.
- **Web Sites – Intranet & Internet:** The agency has developed and implemented a Web site for internal use by MBC employees, and City and County tenants as well as a public site located at <http://iwww1/mbc> and <http://www.municipalbuildingcommission.org>, respectively. Both sites provide information on the Municipal Building Commission Board, a wealth of historical information and photos about the building, project updates and important notices. The internal site accessible by tenants and employees provides links for requesting agency services on-line and to the tenant handbook, which outlines emergency procedures and building policies. Both Web sites are important tools that allow 24-hour, instantaneous access to information about the MBC and the City Hall and Courthouse building. It is likely that the Web site will be used to market and sell agency memorabilia.

Use of automated systems improves the MBC's ability to respond to the needs of policy-makers, tenants and members of the public: workflow is streamlined and tracked through completion; staff are able to respond in a more timely manner; proactive measures can be implemented by having quick access to data; accurate building information is readily available for basing decisions; costs are reduced through efficiencies and closer monitoring of agency activities; and communication is fostered through open access to information and services. Key City and County goals supported through these activities include reducing tax payer costs, preserving the historic City Hall and Courthouse, fostering economic development, building community, and supporting key City and County

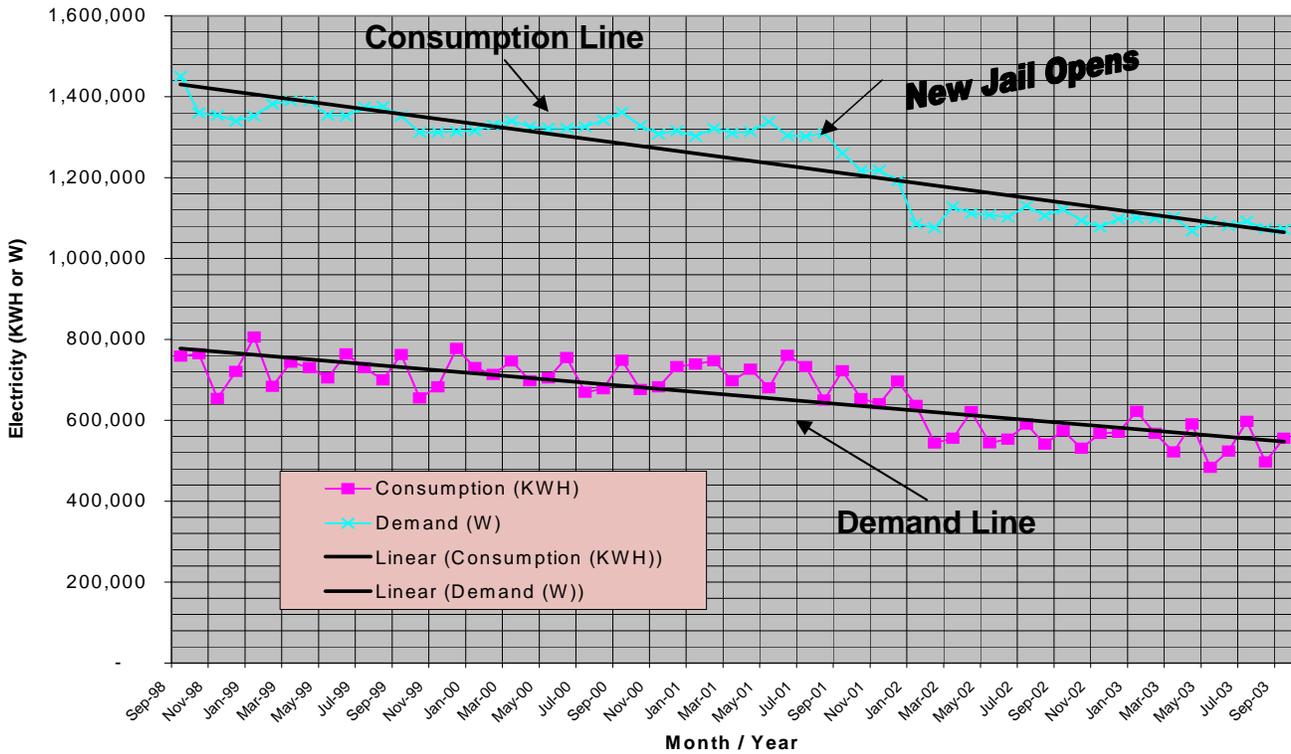
functions performed by departments located in the building.

The MBC intends to continue using in-house staff for enhancing and streamlining capabilities of agency information systems and Web sites. In addition, on-going vendor agreements are planned for current and future technical support of the agency energy management systems.

**Energy Conservation - Electrical Consumption**

Over the past five years, electrical consumption in the City Hall and Courthouse has been reduced approximately 25 percent. The building used 758,443 kilowatt-hours-per-month in September 1998 as compared to 555,599 kilowatt-hours-per-month in September 2003. Chart 1 below shows these reductions.

**Chart 1 - MBC Electricity Consumption**



In September 2001, the building experienced significant reductions shortly after the opening of the Hennepin County Public Safety Facility (PSF). When the nine-month period after the opening of the PSF is ignored, linear regression analysis indicates that electrical consumption and demand was falling both before and after this period. In fact, electrical consumption fell even faster after May 2002 than before September 2001.

It should be noted that three large air-handling units were installed between September 1998 and September 2003. These new units consume additional electricity but provide

increased quantities of fresh air in previously poorly ventilated areas. Despite the additional electrical consumption from these large fans, overall electrical consumption has continued to fall.

The electrical savings in the City Hall and Courthouse are due to a number of factors. Many improvements occurred as part of the MLSS upgrade project. They include:

- installation of energy efficient lighting
- installation of variable frequency drives that allow motors to run at reduced rates
- installation of lighting controls incorporating night lighting shut-off
- energy management system upgrades incorporating night HVAC shut-off
- installation of energy efficient motors

Many of these upgrades resulted in revenues to the City and County for energy efficiency rebates from Xcel energy. MBC staff will continue to introduce energy efficient components, systems and equipment throughout the building, and utilize rebate programs, where applicable.

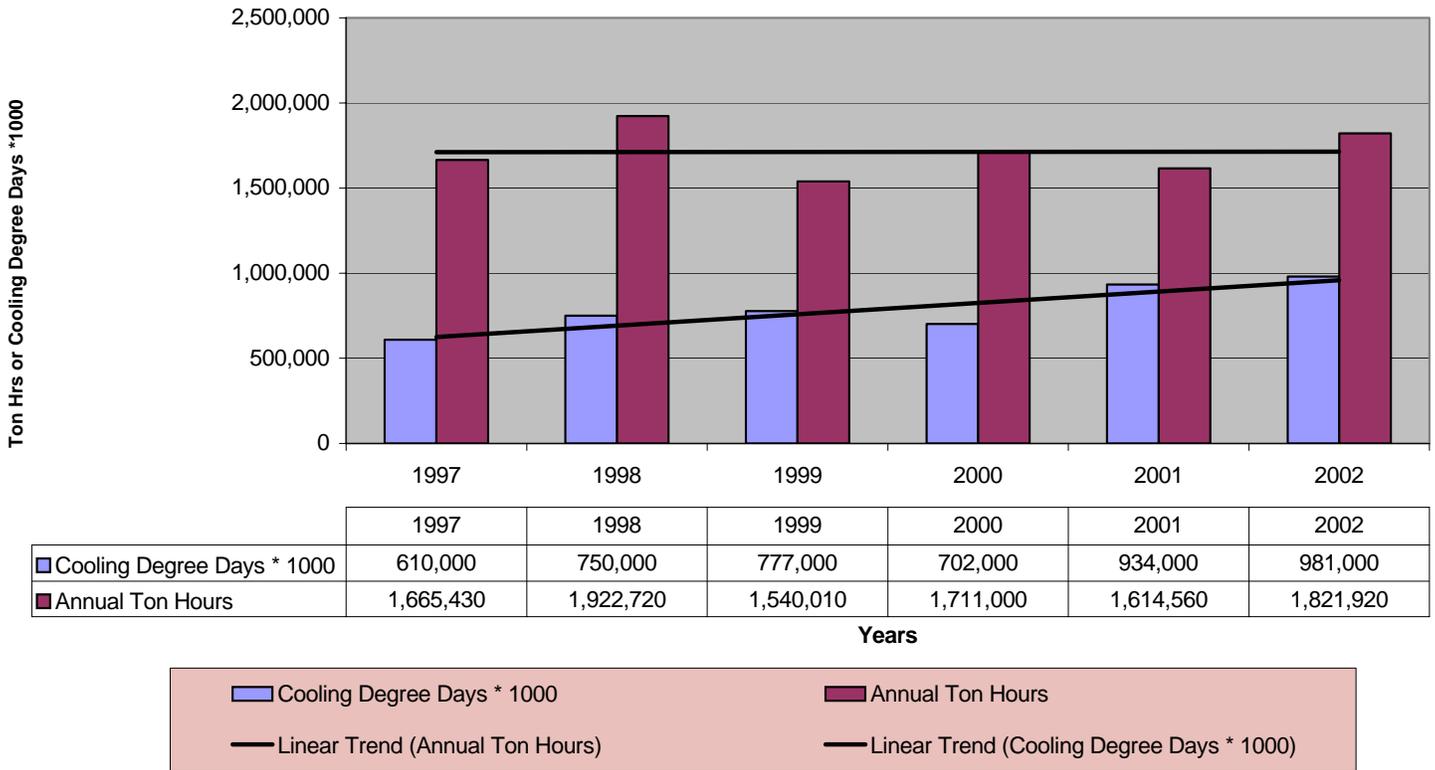
### **Energy Conservation - Chilled Water and Steam Consumption**

Analysis of steam and chilled water consumption in the City Hall and Courthouse over the past six years indicates cooling water consumption appears to be decreasing (improving) slightly and steam consumption appears to be increasing slightly. Variations in outside temperature over this period may make the observed changes insignificant. Based on this information the MBC is achieving its goal of maintaining existing levels of energy consumption while expanding and upgrade HVAC systems throughout the building.

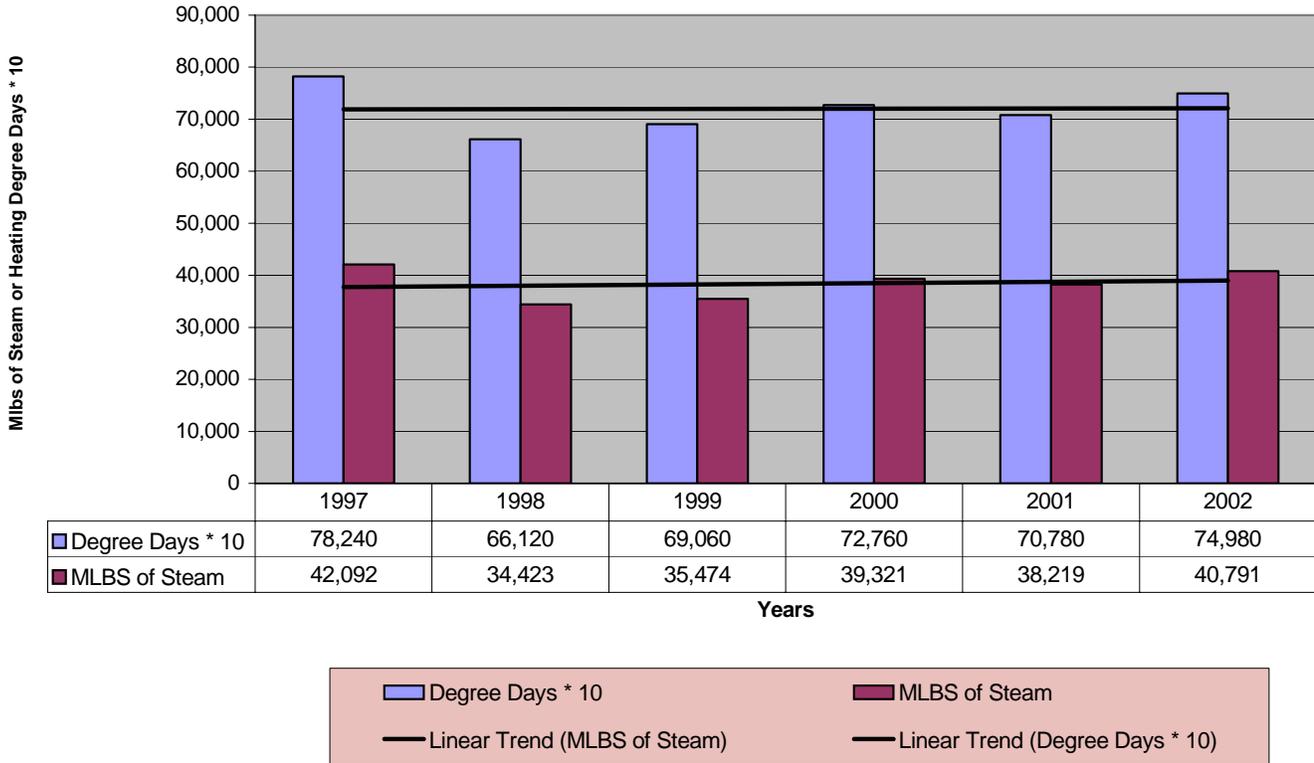
Chart 1 below illustrates the annual cooling water consumption from 1997 through 2002. Because the consumption varies significantly, a linear trend line was constructed for the cooling water data. As shown in Chart 1, the horizontal trend line indicates that the cooling water consumption is not increasing. The relative size of the annual cooling degree days for this period are also indicated in Chart 1. The slope of the cooling degree day trend line indicates that summers have been getting slightly warmer over the six year period. Since summers got slightly warmer and the cooling water consumption remained stable, cooling water efficiency improved.

Chart 2 indicates the annual steam consumption from 1997 through 2002. The linear steam trend line indicates that steam consumption increased slightly over the six year period. The relative size of the annual heating degree day trend line indicates that heating demand remained stable. On this basis, steam consumption increased. Graphical analysis of the steam consumption trend line indicates an increase of approximately 1,000 mlbs. over the six year period. This equates to less than one-half percent, per year, which may be less than the error accuracy of the analysis techniques.

**Chart 1 - Annual Cooling Water Consumption Trends**



**Chart 2 - Annual Steam Consumption Trends**



During the six-year period, numerous large air-handling units have been installed in the City Hall and Courthouse. These units are utilized to provide increased quantities of ventilation air. In addition, literally hundreds of variable air volume heating coils have been installed to provide area heating in remodeled areas throughout the building. Perimeter radiation heating units and specialty computer room cooling units also have been installed in the building. Specific equipment is listed in Table 1.

**Table 1- New Heating, Ventilating and Air Conditioning Equipment**

Location	Description	Capacity
Air Handling Unit B4	Minneapolis Emergency Communications Center	21,000 CFM
Air Handling Unit 33	City Council Offices and City Coordinator	38,000 CFM
Air Handling Unit M4	Mayor's Office and Finance Department	25,000 CFM
VAV Boxes	Minneapolis Emergency Communications Center	240 MBH
Back Up Air Units	Minneapolis Emergency Communications Center	160 MBH
Cooling Units	Minneapolis Emergency Communications Center and Main Point of Presence Room	160 MBH

VAV Boxes	City Council Offices	460 MBH
VAV Boxes	Finance Department	150 MBH
VAV Boxes	Mayor's Office	NA
VAV Boxes	City Coordinator	200 MBH
MLSS Project, Stages I through IV	Perimeter Radiation	NA

In summary, the MBC appears to be meeting its goal of improving heating, ventilating and air conditioning systems within the City Hall and Courthouse without significantly increasing energy consumption. Over the past four years, a significant quantity of new air handling capacity, heating and cooling coils, and perimeter radiation has been installed as indicated in Table 1. Over this same period, the variation in the consumption of steam and cooling water in the building has been insignificant after accounting for changes in outside temperature as discussed previously and indicated in Charts 1 and 2.

Several methods have been utilized to improve temperature control within the building without significantly increasing steam and cooling water consumption. They include the following:

- replacement of inefficient obsolete equipment
- use of economizer cycle (outside air for natural cooling during the Spring and Fall seasons)
- upgrade of the building's energy management system
- reduced energy consumption during unoccupied hours

The MBC will continue to monitor and track chilled water and steam consumption, and strive to maintain and incorporate energy efficient systems and practices.

**Care Business Line Key Initiatives**

**Mechanical and Life Safety Systems (MLSS) Upgrade Project, Asbestos Abatement and Routine Repair and Maintenance throughout Department Spaces**

Based upon key reports and information received from several experts, the MBC initiated the 23-stage Mechanical and Life Safety Systems (MLSS) upgrade capital project in 2001. Results of reports indicated that the City Hall and Courthouse was in dire need of upgrading the building mechanical system installed in an uncoordinated, piecemeal fashion between 30 and 60 years ago, and incorporating life safety components in approximately 60 percent of the building where none exists. The mechanical portion of the MLSS project involves renovation of heating, ventilating and air conditioning systems. The design includes four packaged air-handling units on every other floor of the building. These units will be supplied with chilled and hot water from risers located in the four corner shafts. The design also includes new distribution ductwork with variable air volume boxes; electronic controls; converting existing air handling units to use 100 percent outdoor air; hot water finned tube radiation in rooms with exterior walls; and creation of three main exhaust systems (smoke, toilet and general). Life safety improvements include installation of sprinklers, fire alarms, smoke detection and public address systems; updating building

exits and stairs; and installing fireproofing, smoke barriers and purge systems.

Planning by MBC, the City of Minneapolis and Hennepin County resulted in the implementation of a combined life safety, mechanical upgrade, asbestos abatement and routine suite improvement program. The implementation method protracted construction over a 12-year period to match funding ability of the City of Minneapolis. Key outcomes of the project are to replace tattered and failing systems before they collapse, and implement life safety components for improving building occupant safety. There is significant potential for total failure of systems that are decades beyond their expected life cycle as well as potential safety risks for building tenants and visitors. Even with adherence to the current 12-year project schedule, the MBC may need to vacate portions of the building because of system failures.

MLSS project work requires gutting of spaces for implementation of mechanical and life safety systems, which presents a prime opportunity for removing asbestos and completing much needed routine repair and maintenance. Repair and maintenance work in project spaces includes replacing inefficient electrical wiring and lighting; integrating light panels to increase energy efficiency; separating wiring for lights from outlets; installing new electrical systems on separate circuits to reduce the potential for circuit overload; coordinating the installation of code compliant telephone and computer wiring; removing radiators to reduce the use of steam; and installing new ceiling grids and tiles, carpeting, and paint.

Four stages of the MLSS project have been completed to date involving City-occupied space in the building. As both the City and County maintain equal ownership in the agency, capital project funding is supported 50-50 by these two entities. Capital funding requests are submitted annually to the City Capital and Long-range Improvement Committee and the County Capital Budgeting Task Force, and are approved in five-year cycles. The MBC anticipates seeking capital funding for the MLSS project through 2013. To stretch capital project dollars, project work also is being supported through the MBC operating budget at a cost of approximately \$475,000 annually for completing routine repair and maintenance work in department spaces.

City and County goals impacted through MLSS project activities include enhancing tenant and public safety, providing quality services at a good value to tax payers, preserving the historic City Hall and Courthouse, promoting a sustainable City and County, and supporting key City and County functions performed by departments located in the building.

### **Preventive Maintenance Program and Equipment Replacement**

Standard practice in any facility management organization includes development and implementation of a preventive maintenance program. Preventive maintenance should be completed on all building systems and equipment to extend useful life and reduce overall operating costs. Regular maintenance also can detect potential failures and repairs, and allow for planned replacement. Other activities included under the preventive maintenance category are such tasks as regular window cleaning, carpet cleaning, floor waxing, painting and re-lamping; these activities also extend the life of building infrastructure and allow for

inspection to determine future replacement needs.

Without preventive maintenance, systems and equipment can break down causing significant impacts to building tenants and visitors -- considerable cost can be incurred, productivity can be reduced and access to needed services can be hampered. Identifying system and equipment needs through preventive maintenance leads to proactive planning for replacement, and the ability to determine costs up-front and set aside necessary resources. Inconvenience and consequences to tenants and visitors should be seamless under a planned replacement scenario. Furthermore, corrective maintenance calls should be reduced as the direct result of a vigorous preventive maintenance program.

The MBC conducts preventive maintenance activities on a regular basis for all building systems, equipment and infrastructure. Staff are working on developing an automated program utilizing MicroMain for streamlining scheduling of this work and ensuring that it is completed according to recommended manufacturer standards. Budget reductions have impacted the agency preventive maintenance program. The agency is unable to support an adequate level of human resources for completing project work, responding to unplanned, higher priority, corrective maintenance issues and continuing to complete preventive maintenance at the same time -- resources are directed towards the areas of greatest need. The consequence has been that less time is dedicated to preventive maintenance except for the most critical building components.

In addition, completion of consistent and regular preventive maintenance has not always occurred in the building's history. Lack of regular maintenance and replacement has caused additional wear and tear on systems, equipment and other building infrastructure such as carpet, tiled floors and painted walls: a large proportion of building infrastructure is being utilized beyond its expected life cycle. To determine the state of building systems, equipment and infrastructure, and begin planning for updates to old, out-dated and failing components, the agency is working on implementing an equipment replacement program.

City and County goals supported by MBC preventive maintenance and equipment replacement activities include enhancing tenant and public safety, providing quality services at a good value to tax payers, preserving the historic City Hall and Courthouse, promoting a sustainable City and County, and supporting key City and County functions performed by departments located in the building.

Continued budget reductions will significantly impact the livelihood of the agency preventive maintenance and equipment replacement programs. The programs are barely sustained under the current level of funding. Loss of these important programs will compromise overall care and maintenance of the City Hall and Courthouse building, and jeopardize a key linkage to the City's and County's past.

### **Building Recycling Program**

In March 2003, the Hennepin County Department of Environmental Services implemented a revised recycling program for County buildings. The program, "Take a Second Look," has the potential to increase recycling revenue, decrease waste stream costs and improve

the environment.

MBC staff reviewed the recycling model developed by Hennepin County. Many of the practices outlined in the County program would benefit the City Hall and Courthouse building. Staff developed a similar program plan for the building and presented it to the MBC Board in December 2003. The program approved by the Board in December will implement the following recycling practices in the City Hall and Courthouse in 2004:

- A tenant kick off and training component will be developed to inform tenants about the new collection process for white paper, mixed paper, cans, glass, plastic bottles and newspaper mix.
- City of Minneapolis and Hennepin County Recycling staff will provide up front training on the new program. MBC staff will serve as the contact for on-going requests and questions.
- Approximately 2,000 new desk-side recycling containers for white and mixed paper will be distributed to employees located in the building.
- 600 existing stackable intermediate recycling containers will be newly labeled.
- 200 additional stackable intermediate recycling containers will be located throughout the building in conference rooms and additional office locations.
- MBC staff will distribute the new desk-side recycling containers to City Hall and Courthouse tenants and place intermediate recycling containers in the building.
- The MBC will transport metal cans, glass and plastic bottles to the Hennepin County Recycling Center and Transfer Station located in Brooklyn Park.
- MBC will post information about the new recycling program on the MBC Web site, via e-mail and the City and County Intranets.
- MBC staff plan to evaluate increases in revenue, decreases in waste cost and report the results to the MBC Board on an annual basis.

The MBC recycling program supports City and County goals such as delivering quality services at a good value to tax payers, and preserving and enhancing the natural environment to promote a clean, sustainable City and County.

### **Control Business Line Key Initiatives**

#### **Security Initiative**

Recent events have heightened interest in and the need for building security. Several high profile City and County departments are located in the building including the Mayor's Office, City Council, Minneapolis Emergency Communications Center (911 call center), City Coordinator, City Clerk and Hennepin County Arbitration and Conciliation Court. MBC staff worked with City and County staff to develop a proposal for implementing and improving out-of-date building security systems, and contracting for uniformed personnel trained in the areas of security measures and first responding.

Security staff contracted through Hennepin County have been patrolling the City Hall and Courthouse building since April 2003. These staff provide access control and protection of property, patrol the building during business hours, and act as first responders in medical

emergencies and duress situations. The MBC also will recruit and train in-house staff to perform security duties in 2004. MBC internal security staff will protect the building and tenants on a 24-hour, 7-day-per-week basis and will staff the Security Desk located in the Rotunda of the building. Plans also are moving forward to install additional closed circuit television monitoring cameras and connect these cameras to the Hennepin County Security Operations Center (SOC) located in the Government Center. County security staff will monitor these cameras on a 24-hour basis. Final connection to the SOC should be made in 2004 when construction of this new center is complete. Staffing costs are on-going and currently supported through 2004 via the MBC annual operating budget. Capital funding has been provided by the City and County for the limited activities identified above.

MBC security activities aid in meeting important City and County goals such as enhancing tenant and public safety, ensuring access to necessary government information and services, preserving the historic City Hall and Courthouse, promoting a sustainable City and County, and supporting key City and County functions performed by departments located in the building.

Agency budget reductions threaten continued support of building security initiatives. Further funding cuts may require the MBC to pare down or eliminate the security program compromising the safety of policy-makers, tenants and visitors in the building. It is crucial for the MBC to maintain skilled security staff for assessing threat levels and responding to medical emergencies and critical situations. Lack of security equipment and uniformed presence in the building will make the MBC an easier target for possible terrorist and other acts of foul play.

### **AutoCAD Drawing Updates**

Architectural drawings are key to the efficient and effective functioning of any building. Drawings show information on architectural elements such as internal and external walls, stairwells, elevator shafts, doors and windows as well as infrastructure and systems such as electrical, voice and data wiring, sprinkler systems, plumbing fixtures and air handling units. Building plans are used in all aspects of facility management and provide valuable information for maintaining systems and equipment, and completing construction work. Furthermore, plans show the existence and locations of items hidden in ceilings, walls or floors that cannot readily be seen without extra effort or, in some cases, excavation.

AutoCAD -- a computer aided drafting software -- is the most common method used for storing building drawings. Plans are created and stored electronically making access and updates to drawings easier. Widespread practice of building managers is to maintain master drawings representing information for all aspects of the facility. Building plans are used on a regular basis. Outdated and missing information can result in erroneous decisions, cause mistakes, increase costs and decrease productivity. Maintaining up-to-date and accurate drawings is imperative for basing important decisions and facilitating project work.

The City Hall and Courthouse building has undergone decades of project work and changes to building architecture and systems, which have not been closely tracked or well

documented. The MBC literally has hundreds of electronic and hard copy drawings related to the building, and continues to compile new information as MLSS and other project work is completed. Furthermore, efforts are being made to document information on many building components that are not represented on any plans. As a result, agency master drawings are incomplete. Lack of complete information makes it difficult to obtain accurate building information and takes up considerable amounts of staff time compiling and/or verifying needed information.

Using AutoCAD, the MBC plans to streamline building information onto single electronic drawings for each floor. Plans will be updated per project work that has occurred in the building and formatted according to the agency AutoCAD Protocol document completed in June 2002. In addition, missing information will be added.

As with other initiatives already identified, budget cuts compromise the ability of the MBC to follow through and complete the work of updating building AutoCAD drawings. Updates have primarily been completed through the work of in-house staff, as time permits. As a result, only a minimal percentage of the project has been accomplished. Completion of this work is imperative for enhancing and facilitating MBC activities in the City Hall and Courthouse building.

Updating building AutoCAD drawings relates to several City and County goals: enhancing tenant and public safety, providing quality services at a good value to tax payers, preserving the historic City Hall and Courthouse, promoting a sustainable City and County, and supporting key City and County functions performed by departments located in the building.

### **Multi-lingual Signage Project**

The local community is becoming more diverse. As a result, large numbers of Hennepin County and Minneapolis residents speak a language other than English. The MBC is currently working with the City of Minneapolis, Multi-cultural Services Department and an outside vendor to improve access to government services in the City Hall and Courthouse building for limited English proficient residents. Work is moving forward on installing multi-lingual signage throughout the building showing a floor plan, room numbers and department names in up to ten languages including Somali and Spanish. Other MBC activities in this area include improving staff access to and procedures related to providing interpreter services for people who do not speak English.

## **Assessment of Other Models of Providing Service**

MBC staff evaluated other models for providing services to maintain the City Hall and Courthouse building, and meet the needs of building tenants and visitors. Outsourcing for services -- building maintenance, custodial and security activities -- is a key trend in many public and private-sector facility management organizations. Staff explored this model in more detail. Results of this analysis follow in the section below.

**Outsourcing - Building Maintenance**

The Municipal Building Commission currently uses a combination of in-house staffing and outsourcing to minimize costs in the area of building maintenance. By comparing bid alternates and quotes with estimated in-house labor costs the MBC retains the flexibility to implement the most practical method of completing tasks. Both methods (outsourcing and utilizing in-house staff) have proven to be cost effective depending upon the situation.

Many caveats must be recognized when using, evaluating or comparing in-house staffing to outsourcing. Vendors and customers will experience pros and cons under either scenario. In addition, financial considerations are not the only variable. It is important to recognize non-financial criteria such as quality, security, complexity, future change orders and other similar issues. Vendors, for instance, may adjust their bid/quote because they recognize an advantage or disadvantage of completing a task. Similarly, a customer may recognize several other variables that influence the desirability of one method over the other. Two examples have been cited below to illustrate these issues. Case Study 1 is an example where the MBC saved money by outsourcing work. Case Study 2 is an example where the MBC saved money by utilizing in-house staff to complete work.

**Case Study 1: Outsourcing - Mechanical and Life Safety Systems Upgrade Project Stage III Fire Alarm Work**

On May 9, 2002, six bids were received for the Stage III MLSS upgrade project, Official Publication No. 5873. Alternate Number One specified deletion of fire alarm equipment and labor. The low bidder assigned a reduction in cost of \$5,000 for Alternate Number One. MBC staff estimated that the cost to complete the alternate work would be approximately the midpoint of the range \$18,000 to complete the proposed deduction. The bids are shown in Table 1.

**TABLE 1 - Stage III Bids**

<b>Contractor</b>	<b>Alternate Base Bid</b>	<b>Deduction</b>
<b>Northern Air Corporation</b>	<b>\$395,617</b>	<b>\$5,000</b>
<i>Kumar Mechanical, Inc</i>	<i>\$418,000</i>	<i>\$15,000</i>
Area Mechanical, Inc	\$423,600	\$17,400
J.S. Cates Construction Co., Inc	\$445,000	\$23,000
Cool Air Mechanical, Inc.	\$448,000	\$31,000
Master Mechanical, Inc.	\$582,000	\$12,000

Staff determined that Alternate Number One was more cost effective to outsource than to complete with in-house staff. If a contractor with a large alternate deduction would have been the low bidder, it would have been more cost effective to complete this task with in-house staff.

**Case Study 2: Rotunda Restoration Project Use of In-House Electrical Staff**

Electrical improvements for the Rotunda Restoration Project were competitively bid. Due to significant budget issues, various components of the projects were reviewed. The

schedule of values for the entire project indicated that substantial savings could be realized by removing the electrical component of the project. The schedule of values is tabulated in Table 2

**TABLE 2 - Schedule of Values**

<b>Description</b>	<b>Cost</b>
General Conditions	\$89,778
Scaffolding	\$141,146
Demolition	\$14,950
Masonry Restoration	\$103,151
Carpentry	\$8,750
Access Doors	\$14,950
Wood Windows	\$6,930
Stained Glass Windows	\$299,920
Gypsum Board	\$10,340
Stone Flooring	\$46,845
Painting	\$2,310
Electrical	\$201,200*
<b>Total</b>	<b>\$940,000</b>

\*The credit for eliminating the electrical work was subsequently increased to \$205,550 to incorporate savings in general conditions.

Three components reduced the cost of the electrical work on the Rotunda Restoration Project. Corridor light fixtures were modified for economic reasons to include “off the shelf” fixtures rather than the custom fixtures originally specified. A fiber optic system for three arched stained glass windows was eliminated for technical reasons. Savings also were realized by utilizing in-house MBC electrical staff. These components are illustrated in Table 3.

**TABLE 3 - Rotunda Restoration Project Electrical Costs**

<b>Description</b>	<b>Cost</b>
Actual Electrical Materials	\$62,718
Actual Electrical Labor	\$22,943
Corridor Fixture Savings	\$67,276
Fiber Optic Savings	\$9,000
MBC Staff Savings	\$43,613
<b>Total Electrical (Schedule of Values):</b>	<b>\$205,550</b>

Based on the analysis in Table 3, the use of in-house staff reduced electrical costs for the Rotunda Restoration Project by \$43,613; when project savings are compared to the actual labor costs of \$22,943, the savings are dramatic. In Case Study 2, many of the proposed electrical upgrades for the Rotunda Restoration Project would not have been possible without the use of in-house staff.

### **Outsourcing - Custodial and Security**

By far the biggest trend facing the MBC custodial work group is outsourcing. According to a 2001 International Facility Management Association (IFMA) study, 74 percent of facilities surveyed were outsourcing their custodial functions. Only 15 percent retained in-house cleaning, and 11 percent used a combination of in-house and outsourced cleaning services. The main reason for outsourcing is cost. According to the same IFMA study, the average savings between an in-house cleaning program and outsourcing was 23 percent.

A secondary reason for outsourcing is production. The IFMA survey indicated that the rate for government buildings was 2,165 square feet, per cleaner, per hour. The average for private office buildings was a production rate of 3,160 square feet, per cleaner, per hour. Comparatively, the MBC has a production rate of 3,061 square feet, per cleaner, per hour. The production rates are based on the delivery of routine custodial services to occupied areas on a one-time-per-day basis delivered five-days-per-week. Hennepin County utilizes an outsourced cleaning contractor for the Hennepin County Government Center. According to their contract, the estimated costs for an hour of cleaning is \$14.50; an estimated hour for the MBC is \$21.33.

Outsourcing is impacting the area of security services as well. Public buildings are utilizing in-house staff, outsourcing and employing a combination of the two for protecting tenants, visitors and government properties. The MBC is currently using a combination of contracting for security services and utilizing in-house staff. Implementation of in-house security staffing was approved by the MBC Board in December 2003. After participation in an standard training program, in-house staff will provide security services as early as second quarter of 2004. As this internal program is implemented and becomes fully functional, costs associated with in-house security staff will be compared to contract costs as well as other government and private buildings.

There are advantages and disadvantages to outsourcing. In some situations, outsourcing is financially cost effective and offers a good value. In other situations, in-house staff can complete projects faster and cheaper. In-house staff possess institutional knowledge -- particularly intimate knowledge of building systems and architecture -- that plays an integral role in completing project work in an historic, 100-year-old building such as the City Hall and Courthouse. Furthermore, MBC staff show loyalty to the agency and take pride in their work, which impacts the ultimate outcome of caring for and maintaining the building. Staff turnover at the MBC has remained quite low. Lower levels of staff turnover saves money by reducing administrative activities involved in promoting, recruiting and hiring for positions as well as costs associated with training and lower productivity from new employees while they become familiar with their new position.

Other issues with outsourcing include loss of control over employee screening and hiring, and the ability to ensure that trustworthy and honest employees are providing services such as security, entering sensitive areas of the building, and working on key systems and equipment. Tenants appreciate familiar faces and have higher comfort levels with employees they know. Use of non-Union labor also can raise concerns from organized labor groups. Flexibility and quick response to tenant and visitor needs can be

compromised with use of contract staff as well.

The MBC plans to continue working on capturing the advantages offered by both outsourcing and use of in-house staff on a case by case basis keeping in mind the best interests of the City Hall and Courthouse building, tenants and visitors to the building, and the public.

## **Section Four: Department Resource Plans**

- Finance Plans
- Workforce Plan
- Technology Plan
- Equipment Plan
- Space Plan

## Finance Plan - Operating Budget

### Operating Budget Background

Minnesota's economy has been slow since early 2001 and was impacted even more after the terrorist attacks of September 11, 2001. Economic impacts at the federal government level have been felt at the state level. Not only are Minnesota government entities experiencing lower collections in sales, income and property taxes but federal funding for various programs and services have been diminishing as well at the same time that mandates for states and counties have been increasing. State and local governments are left with the responsibility for providing increased levels of service to citizens at the same time that financial resources are shrinking.

While resources to government entities are decreasing, costs for personnel, benefits, utilities, supplies and materials to do business continue to grow. As the cost of doing business goes up and the level of service expectation remains the same or greater, government organizations are faced with tough choices.

### Revenue Estimates

The City of Minneapolis developed a 10-year financial plan spanning 2001 to 2010. The plan outlines expected levels of property tax and local government aid funding for City departments and independent boards including the MBC through 2010. With regard to property tax, the City estimates a \$10,000 increase each year with funding increases in this area topping out at \$300,000 by 2010. The MBC will receive 0.03% of City local government aid funding.

Hennepin County has not performed or formalized an analysis comparable to the City's ten-year financial plan that would provide a similar guide to the MBC regarding funding for ensuing budgets. The trend in the last few County budget cycles, however, has been to direct departments to prepare budget requests that reduce the reliance on property tax funding by exploring alternative sources of funding, economizing on spending, and focusing in on results.

The MBC operating budget is funded by the City and County based upon building occupancy. Currently, the City provides 60 percent of agency funding with the County providing the remaining 40 percent. Activities in the Hennepin County Adult Detention Center, however, are funded 100 percent by the County. Due to the budget structure of the MBC, if either the City or County reduces funding it automatically reduces funding for both in order to maintain the 60-40 funding ratio; therefore, the MBC may not be able to fully realize allowable funding increases.

The MBC has experienced significant increases in salary and fringe costs, while holding non-personnel spending flat. In addition, utility costs have fluctuated upwards and are difficult to project. If current trends continue these operating increases will most likely outpace the anticipated level of future funding.

Other factors will influence the level of agency revenue over the next five years as well. Feeling the impacts of the recent economic crunch, significant changes are taking place in the traditional state and local fiscal relationship. Specifically, local government aid to cities was reduced across the state with some legislators proposing to eliminate local government aid altogether. Local governments are slated to receive LGA in 2004; however, it is uncertain whether the current level of funding will continue in subsequent budget years or how much, if any, it will be reduced. Similar to the LGA cuts to cities, counties also have witnessed significant reductions in state funding for specific human services and health programs as well as general property tax relief aids.

Table 1 lists MBC revenue estimates under a scenario based upon receiving local government aid funding while Table 2 illustrates a scenario assuming no local government aid funding. The actual level of local government aid funding is unknown. Furthermore, the tables below hold other agency revenues (which includes sale of steam and scrap metal, rents and overhead charges) constant at 2004 estimated levels; fluctuations in this funding area will impact the overall agency budget.

**Table 1 - Estimated City and County Funding - Including LGA**

Year	City Funding	County Funding	Other MBC Revenue	Total Funding	Amount of Increase
2004	3,731,417	2,658,170	658,403	7,047,990	NA
2005	3,976,417	2,605,007	658,403	7,239,827	191,837
2006	4,231,217	2,578,957	658,403	7,468,577	228,750
2007	4,495,817	2,578,957	658,403	7,733,177	264,600
2008	4,770,217	2,578,957	658,403	8,007,577	274,400

\*Assumes that local government aid funding and other agency revenues (except property taxes) are held constant at 2004 estimated levels. Chart reflects a 2 percent reduction in County funding for 2005, a 1 percent reduction for 2006 and no increase for 2007 and 2008; City funding was increased according to City financial projects but may need to be adjusted slightly to maintain the 60-40 funding ratio.

**Table 2 - Estimated City and County Funding - No LGA**

Year	City Funding	County Funding	Other MBC Revenue	Total Funding	Amount of Increase
2004	3,731,417	2,658,170	658,403	7,047,990	NA
2005	3,723,389	2,605,007	658,403	6,986,799	-61,191
2006	3,978,189	2,578,957	658,403	7,215,549	-24,278
2007	4,242,789	2,578,957	658,403	7,480,149	11,572
2008	4,517,189	2,578,957	658,403	7,754,549	21,372

\*The MBC is slated to receive LGA funding in 2004; therefore, these figures were not changed and include \$253,028 in LGA funding. Assumes that local government aid funding is eliminated (2005-2008) and other agency revenues (except property taxes) are held constant at 2004 estimated levels. Chart reflects a 2 percent reduction in County funding for 2005, a 1 percent reduction for 2006 and no increase for 2007 and 2008; City funding was increased according to City financial projects but may need to maintain the 60-40 funding ratio.

**Expenditure Estimates - 2004 to 2008**

Overall MBC expenditures have gone up by about 4 percent annually since 1996. Per budget instructions, appropriations for non-personnel line items have not been increased over the last few budget cycles and have remained flat. The annual growth in expenditures is predominantly comprised of salary and fringe increases. Costs for non-personnel items, however, have continued to climb each year. As a result, the agency's buying power for non-personnel items has significantly diminished.

Table 3 shows comparisons of overall estimated expenses for the agency to estimated revenues under a scenario including local government aid. An example of estimated expenses without local government aid is shown in Table 4. These tables are for illustrative purposes only: expenditures cannot exceed revenues; however, both scenarios indicate that expenditure rates will surpass revenues in 2005. In order to stay within estimated revenues, spending reductions will be necessary.

**Table 3 - Comparison of Estimated Expenditures and Revenues - Including LGA**

<b>Year</b>	<b>Estimated Expenditures</b>	<b>Estimated Revenues</b>	<b>Difference Expenditures vs. Revenues</b>
2004	6,977,002	7,047,990	70,988
2005	7,256,082	7,239,827	-16,255
2006	7,546,325	7,468,577	-77,748
2007	7,848,178	7,733,177	-115,001
2008	8,162,106	8,007,577	-154,529

\*The average annual expenditure increase since 1996 is 4 percent for all agency cost centers combined. Expenditures were estimated at 4 percent annual growth.

**Table 4 - Comparison of Estimated Expenditures and Revenues - No LGA**

<b>Year</b>	<b>Estimated Expenditures</b>	<b>Estimated Revenues</b>	<b>Difference Expenditures vs. Revenues</b>
2004	6,977,002	7,047,990	70,988
2005	7,256,082	6,986,799	-269,283
2006	7,546,325	7,215,549	-330,776
2007	7,848,178	7,480,149	-368,029
2008	8,162,106	7,754,549	-407,557

\*The average annual expenditure increase since 1996 is 4 percent for all agency cost centers combined. Expenditures were estimated at 4 percent annual growth.

Not considering increases in costs for non-personnel items, overall salary and fringe costs for the MBC have gone up by approximately 3 and 5 percent, respectively, on an annual basis (these figures account for position eliminations as well as increases in all fringes including pension, FICA, medicare, healthcare, life insurance, MERF unfunded liability,

etc.). In 2005, costs for salary and fringe are projected to grow by \$133,000 compared to an optimistic revenue budget increase of \$192,000 (which includes LGA funding): the remaining \$59,000 is left to cover increases in utility costs and other non-personnel items such as custodial cleaning supplies, paper products, office supplies, and repair and maintenance parts and supplies.

Table 5 illustrates comparisons of estimated revenue increases to estimated salary and fringe increases including local government aid funding. A separate example is shown without local government aid funding in Table 6. After salary and fringe costs are taken into consideration, the scenario including local government aid shows low remaining levels of funding increases available for other agency-related expenses. If local government aid funding is cut altogether, salary and fringe increases will outpace agency revenue increases starting in 2005. In order for the MBC to meet estimated levels of revenue funding from 2005 through 2008, the rate of expenditures will have to decline.

**Table 5 - Comparison of Estimated Revenue Increases to Salary/Fringe Increases - Including LGA**

Year	Estimated Revenue Increase	Estimated Salary/Fringe Increase	Difference Revenue vs. Salary/Fringe
2005	191,837	132,664	59,173
2006	228,750	137,580	91,170
2007	264,600	142,689	121,911
2008	274,400	148,001	126,399

**Table 6 - Comparison of Estimated Revenue Increases to Salary/Fringe Increases - No LGA**

Year	Estimated Revenue Increase	Estimated Salary/Fringe Increase	Difference Revenue vs. Salary/Fringe
2005	-61,191	132,664	-193,855
2006	-24,278	137,580	-161,858
2007	11,572	142,689	-131,117
2008	21,372	148,001	-126,629

**Revenue Alternatives**

To help mitigate impacts of shrinking operating and capital budget resources, MBC staff are in the process of identifying external revenue sources. MBC staff have identified the following potential external revenue sources:

- **Grant Funding:** MBC staff will work to develop a closer relationship with the City of Minneapolis, Grants and Special Projects office as well as other City and County departments who receive grant funding to identify grant opportunities, and provide technical assistance.

- **Deli/Café in the City Hall/Courthouse:** Similar to Hennepin County libraries and other public entities, a Request for Proposal will be issued for the establishment of a gourmet deli or café/restaurant in the City Hall/Courthouse.
- **Catering and Space Rental:** Key locations in the City Hall/Courthouse such as the Rotunda, City Council Chambers and District Court Conference and Court Rooms will be made available for special events, weddings and meetings. Patrons will use internal catering facilities, event set-up and equipment.
- **Vending Sales:** Space in the City Hall and Courthouse will be made available for a vendor to operate various vending machines. A Request for Proposal for a vending contract will be issued on January 5, 2004. Vending machines will be accessible 24-hours-per-day and 7-days-per-week, and will offer a variety of gourmet coffees, sodas, water, juice, milk, snacks, salads, yogurt, fruits, pastries, sandwiches, and candy.
- **Market Building Memorabilia on-line:** Postcards, Municipal Monument books, hats, sweatshirts, mugs and other items will be made available for sale on-line through the agency's Web site.

To determine the feasibility of the revenue sources listed above, MBC staff are currently working to:

- conduct a market and financial analysis to determine feasibility of moving forward with implementation of a deli/café, space rental and catering services
- determine tax status required to pursue a for profit arm to the MBC
- determine process to establish a revenue fund or cost center to be used exclusively for historic improvements and other projects consistent with the agency's mission
- identify grant funding resources and determine application processes

Staff are in the preliminary stages of determine feasibility of these various revenue options. Until more research has been conducted and more concrete information has been gathered, it is too soon to predict revenues from the ventures listed above. The MBC should have more tangible information for 2005 budget development.

A summary of key financial trends impacting the MBC over the next five years is listed below:

- Short-term national, state and local economic outlook is poor
- Diminished levels of property tax funding from the City and County
- Diminished levels or elimination of local government aid funding from the City
- Potential for increased agency revenues from grant funding, space rental, café/deli and marketing building memorabilia on-line
- Increasing labor and fringe costs as well as utilities, supplies and materials (non-personnel items)

## Finance Plan - Capital Budget

### Background

Capital Projects in common areas of the City Hall and Courthouse are funded by both the City of Minneapolis and Hennepin County on a dollar for dollar basis. City of Minneapolis Capital Projects are funded through the City's Capital Improvement Process. The Capital Long-Range Improvements Committee (CLIC) reviews and recommends projects for approval. Successful projects are approved by resolution of the City Council as part of the City Five-Year Capital Budget. Hennepin County Capital Projects are funded through the County's Capital Budget Process. The Capital Budgeting Task Force (CBTF) and the County Board review these applications. Successful projects are approved by the County's Budget at the end of the year. For a Capital Project to proceed in a common area of the City Hall and Courthouse, both the City and the County must fund the project.

### Recent Capital Funding

Over the past five years, the average annual MBC Capital Project Budget was \$2,240,000. Coincidentally, the proposed MBC Capital Budget for 2004 is also \$2,240,000. These averages include contributions from the MBC Fund Balance (a City contingency fund), which was used to match Hennepin County Capital Funding. The averages also include the Minneapolis Emergency Communications Center and City Council Chamber Capital Projects managed by the MBC. They do not include funds authorized by Hennepin County but unmatched by the City of Minneapolis. Specific details are included in Table 1 below.

**Table 1 - MBC Annual Capital Budget**

YEAR	1999	2000	2001	2002	2003	2004
<b>CBTF FUNDING</b>	<b>(1,000's)</b>	<b>(1,000's)</b>	<b>(1,000's)</b>	<b>(1,000's)</b>	<b>(1,000's)</b>	<b>(1,000's)</b>
Mechanical	\$980	\$1,027	\$862	\$691	\$770	\$570 <sup>1</sup>
Life Safety		\$437	\$242	\$254	\$401	\$550 <sup>1</sup>
Rotunda Repairs		\$175	\$112	\$195		
Waterproofing				\$158		
County Subtotal	\$980	\$1,639	\$1,216	\$1,298	\$1,171	\$1,120
<b>CLIC FUNDING</b>						
Mechanical	\$721	\$207	\$213	\$320	\$570	\$570
Life Safety		\$207	\$213	\$220	\$225	\$550
Rotunda Repairs		\$156	\$160	\$166		
Waterproofing						
Fund Balance Mechanical <sup>2</sup>			\$84	\$171		
Fund Balance Waterproofing <sup>2</sup>				\$164		
City Subtotal	\$721	\$570	\$670	\$1,041	\$795	\$1,120
Total Funding <sup>3</sup>	\$1,701	\$2,209	\$1,886	\$2,339	\$1,966	\$2,240
Available Matched Funding <sup>4</sup>	\$1,442	\$1,140	\$1,340	\$2,081	\$1,590	\$2,240
<b>OTHER PROJECTS</b>						
MECC	\$600	\$984	\$97			
Council Chamber			\$1,730	\$200		
Total Capital Project Funding <sup>5</sup>	\$2,042	\$2,124	\$3,167	\$2,281	\$1,590	\$2,240

\*Notes: (1) Funds allocated from Hennepin County's unmatched balance. (2) Funds allocated from the

MBC's City fund balance. (3) "Total Funding" is the sum of City and County subtotals. (4) "Available Matched Funding" includes allocated and matched funding available for projects. (5) "Total Capital Project Funding" includes total of "Available Matched Funding" and "Other Projects" funding. (6) Unfunded projects not shown include the Tower and Inner Court Elevators, which were funded by Hennepin County but unmatched.

### **Mechanical and Life Safety**

The primary focus of current MBC Capital requests is on the Mechanical and Life Safety Systems (MLSS) Upgrade Program. This program consists of twenty-three separate stages each of which is approximately six months in duration. These stages are currently scheduled to continue through the year 2013.

A capital cash flow analysis has been developed for the MLSS Project. This cash flow -- Table 2 below -- projects Capital Funding Requirements, project costs, and revenue shortfalls throughout the life of the project.

A fundamental issue in Capital Funding for the MLSS Project was the difference in proposed funding levels by the City of Minneapolis and Hennepin County. Initially the City of Minneapolis was funding the project at a much slower rate than Hennepin County. Since the project funds are spent on a dollar for dollar basis, the funding discrepancy was generating funding shortfalls and large allocated but unmatched balances on the County's ledger. Over the past several years, City and County financial staff have worked on this funding discrepancy. If the proposed funding plan is followed, funding shortfalls and the large allocated but unmatched balance will be eliminated.

One inherent weakness in the current MLSS Project Financial Plan has been identified. Planning for a new mechanical system in the City Hall and Courthouse was begun in 1989. The plan was not implemented for approximately a decade. When the plan finally was implemented, the proposed method stretched the timeline another decade for purely financial reasons. Instead of vacating the building and completing the upgrade in a two-year period, it was decided to complete the project over a twelve-year period. From a strictly technical perspective, portions of the obsolete mechanical system may not function for two decades beyond their obsolescence. Even at the current rate, spontaneous leaks or total system failure may require portions of the building to be vacated prior to completion of the project.

### **Future Needs**

Much of the City Hall and Courthouse building's infrastructure is rapidly approaching or even beyond obsolescence. Numerous examples can be cited regarding systems failure in the building. In 2002, testing of the building's fire pump resulted in the electronic controller erupting into a significant fire. In 2003, maintenance on the 408 emergency electrical service resulted in total failure of switches that would transfer power to the 911 emergency call center onto the emergency generator. Subsequent inspection identified numerous other stress fractures that would have failed in only a few more cycles of the switch. For the past four years, capital funds have been requested to upgrade three elevators using 1940 technology. In each of those years, capital funding has been approved by Hennepin County and denied by the City of Minneapolis.

Over the next decade, numerous other infrastructure repairs will be needed in the City Hall and Courthouse building. Under current capital planning, future funds through the year 2013 have already been committed to the MLSS Project. Delaying the MLSS Project does not appear to be a wise option. It will be imperative to find additional City Capital Funding to meet infrastructure repairs identified in the building in the future.

[page left blank to insert Table 2]

## Workforce Plan

The MBC has identified three key workforce issues to concentrate on now and during the next 3 to 5 years:

- 1) Diverse Workforce
- 2) Motivated Workforce
- 3) Productive Workforce

A motivated workforce is also a diverse and productive workforce!

### Diverse Workforce

A main challenge in continuing to diversify the MBC staff is budget reductions, which directly impacts the number of open positions available for hire. The MBC is a small organization with low turnover, therefore, position openings can occur infrequently.

In the last year, the MBC was successful in hiring a woman and person of color. During the last hiring process, two observed obstacles in diversifying the custodial/security work force involved rotating shifts and English language requirements.

Table 1 shows data on the number of MBC employees. Of the 58 employees on the payroll, 5 are females. One female employee is employed in the custodial work area and 4 female employees are employed in the administrative division. The MBC strives to hire female employees for all job classifications throughout the agency including custodial, security and building trades. The number of female applicants is low. Table 2 shows MBC job classification data.

**Table 1 - MBC Employee Data by Gender**

2004 Authorized FTE Count	Total MBC Employees on 2003 Payroll*	Number of Male Employees	Number of Female Employees	Percentage of Male Employees	Percentage of Female Employees
61	58	53	5	91.4%	8.6%

\* No distinction between permanent and permit status.

**Table 2 - MBC Job Classifications**

Job Classification	Total MBC Employees	Number of Authorized Employees	Number of Males	Percentage of Males	Number of Females	Percentage of Females
Administrative Staff	9	9	5	55.6%	4	44.4%
Carpenter	4	4	4	100.0%	0	0.0%
Custodial Foreman	2	2	2	100.0%	0	0.0%

Custodian	18	18	17	94.4%	1	5.6%
Electrician	9	7	9	100.0%	0	0.0%
Painter	4	4	4	100.0%	0	0.0%
Pipefitter	2	2	2	100.0%	0	0.0%
Plumber	2	2	2	100.0%	0	0.0%
Security	4	5	4	100.0%	0	0.0%
Utility	4	8	4	100.0%	0	0.0%
<b>Total:</b>	<b>58</b>	<b>61</b>	<b>53</b>	<b>91.4%</b>	<b>5</b>	<b>8.6%</b>

Open positions generally involve rotating, evening and weekend shifts, which can be difficult to coordinate with family life. The MBC will pursue the feasibility of dividing up the least desirable work shifts (i.e. weekends, nights) among several positions. By sharing the least desirable work shifts, one shift is not completely made up of nights and weekends.

Also, a thorough comprehension of the English language can be an obstacle in diversifying the workforce. The MBC has in the past and will continue in the future to work with outside agencies to translate job information and provide bilingual training and education for employees. The MBC supported two administrative employees participating in a multi-week Spanish class. Both the MBC and the individual employees benefited from this educational experience. The MBC understands and supports the advantages of having employees who speak multiple languages and will continue to pursue these educational opportunities for employees. Employees who are both interested in improving their English skills and/or learning a second language will be included in these programs.

The MBC employee roster has become more ethnically diverse in the last 5 to 10 years. The more diverse workforce is comprised of employees with the lowest seniority. Specifically, since 1999 the majority of MBC hires have been comprised of ethnically diverse personnel. The administrative division of the agency is the most diverse group based on ethnicity and gender. The MBC will use this diverse work group as contacts to reach out to additional diverse candidates for employment.

**Table 3 - MBC Employee Data by Ethnicity**

<b>Ethnicity</b>	<b>Count</b>
Black/African American	3
Asian	1
Hispanic	2
Latino	1
American Indian	1
Pacific Islander	1
White	21
No Response	28
<b>Total:</b>	<b>58</b>

\*Data was obtained by voluntary disclosure of employee.

Open Building Trades positions at the MBC are typically filled by candidates who have worked and been educated through their respective labor union apprentice program. The MBC will strategize with labor unions and make them aware of our interest and priority in diversifying the workforce. By coordinating our priorities to diversify the workforce, our efforts will be more successful.

**Motivated Workforce**

Motivated employees are the MBC’s greatest assets. One measure of a motivated employee is a low incident of sick leave usage. (Confidential and Family Medical Leave absences are not intended to be considered in this section.)

**Table 4 - MBC Analysis of Employee Sick Leave Usage**

<b>Job Classification</b>	<b>Total MBC Employees</b>	<b>2003 Total Sick Hours Used</b>	<b>Average Number of Sick Hours Used per Employee</b>	<b>Average Number of Sick DAYS Used per Employee</b>
Administrative Staff	9	262.25	29.14	3.64
Custodial & Security Unit	28	2366.75	84.53	10.57
Trades	21	852.25	40.58	5.07
<b>Total:</b>	<b>58</b>	<b>3481.25</b>	<b>60.02</b>	<b>7.50</b>

\*Family Medical Leave sick hours were not included in calculations.

The MBC administrative staff negotiated with the AFSCME labor union to include a clause in the labor contract that awards employees who use minimal sick time. The employee is rewarded with additional personal business day hours. MBC employees who have certain amounts of sick leave are eligible to “sell back” their unused sick time on an annual basis. Also, MBC employees who retire with specific requirements and with at least 480 hours of sick time, receive a lump sum payment for their accumulated unused sick time. These are examples of programs that encourage employees to save their sick time.

MBC administration will coordinate a stronger effort to inform employees of these programs and the relatively short timeline of being eligible to be part of them. Employees are more likely to save their sick time and participate in these programs if they understand the benefit and the timeline involved. Another factor to encourage employees to save their sick time is the financial security of having the time available in the event of a medical emergency. The stress of a medical emergency can be significantly less if an employee will be on a paid status during their time away from work.

The MBC also benefits from a low voluntary turnover rate. In the last 5 years, no employee turnover occurred in the building trades work group. One turnover occurred in the administrative work group and one occurred in the custodial division in the last 2 years. The benefit of low turnover includes less job introductory training as employees become more familiar with their positions. Employees who have been at their job for more than one

year become more efficient in their jobs. It should be noted that for the 2002 to 2003 time period, 3 involuntary employee discharges (.05%) occurred. It is not assumed that this high percentage will continue in the future. Table 5 shows an employee turnover analysis.

**Table 5 - Analysis of Employee Turnover**

<b>Job Classification</b>	<b>Number of Employees</b>	<b>Voluntary Turnover of Employees 2002 and 2003</b>	<b>Turnover Percentage</b>
Administrative Staff	9	1	11.1%
Custodial	24	1	4.2%
Security	4	0	0.0%
Trades	21	0	0.0%
<b>Total:</b>	<b>58</b>	<b>2</b>	<b>3.4%</b>

**Productive Workforce**

It is important to the MBC to support and maintain a productive work force. A high level of productivity is linked to consistent and accurate performance communication plans.

In the administrative division of the MBC, written performance communication forms are completed on each employee and reviewed between the MBC Director and individual employee. The performance communication forms are completed bi-annually.

In addition, in the custodial division of the MBC, the manager and supervisor conduct quarterly custodial inspections. At the inspection, the employee’s assigned work area is inspected and reviewed for quality performance. The performance is documented and the employee is informed of their performance level.

At this time, there is no MBC conducted performance communication report or inspection conducted on the building trades employees.

MBC will research the feasibility of modeling the process of administrative performance communication plans and expand it to all MBC employees. The MBC Director will establish a model to be used for the performance communication plan, with the goal that foremen conduct performance evaluations on their direct reports, that supervisors conduct performance evaluations on the foremen and that managers conduct performance evaluations on supervisors. The goal is that all MBC employees receive accurate and timely performance communication feedback.

The following additional information has been compiled on MBC future retirements:

On average, one employee retires per year at the MBC. Employees retire with an average of 30 years of service. Approximately 5 of the current MBC workforce are eligible to retire with a full pension. These 5 employees include one trade employee and 4 custodial employees. It is estimated that one trade employee and 2 custodial employees will retire in 2004. Table 6 shows MBC employee retirement data.

**Table 6 - Analysis of Future Employee Retirement**

<b>Job Classification</b>	<b>Number of Employees</b>	<b>Future Retirement</b>	<b>Future Retirement Percentage</b>
Administrative Staff	9	0	0.0%
Custodial	24	2	8.3%
Security	4	0	0.0%
Trades	2	1	4.8%
<b>Total:</b>	<b>58</b>	<b>3</b>	<b>5.2%</b>

## Technology Plan

Several MBC key initiatives will have an impact on agency technology needs over the next five years:

- **ITS Services:** The MBC currently receives all IT services -- Network access, computer hardware and software, Internet, desktop support, e-mail, etc. -- through the City of Minneapolis. The City of Minneapolis recently contracted with Unisys to provide IT services for all City departments including the MBC. The City expects to charge back to departments for this service but has not established a rate structure as of yet. In anticipation of the City move to charging for services, the MBC worked with the Hennepin County ITS Department to determine the feasibility of the County providing for agency ITS needs. The MBC is interested in securing IT services in the most cost effective manner possible. The infrastructure for connectivity to the County IT network is in place and would require a few minor steps to move the MBC over to this system. The MBC also has received a cost estimate from the County to provide the agency with IT services including Network access, desktop support, e-mail, etc.
- **Aperture:** A computer aided facilities management (CAFM) software program. Aperture is used by the MBC for providing readily accessible, up-to-date and accurate information on space utilization within the Minneapolis City Hall and Hennepin Courthouse building. Aperture is a powerful software tool for storing, displaying and analyzing complex facility information. Visual functions depict layers of drawings for entire floors or can be used to zoom into specific department areas, office groups or even individual offices. Users also can select from a number of reports showing data such as department location in the building or usable space by floor and agency. Availability of this data makes it possible for the MBC to expedite design services and renovations, determine building usage, quickly relay information and make informed management decisions. Agency staff are in the process of further developing and enhancing this software package. In addition, the MBC would like to interface this software with the agency automated maintenance software -- Micromain -- and other software packages, where applicable.
- **MicroMain:** The agency is implementing an upgrade to its automated maintenance system to track routine, corrective and preventive maintenance work. This upgrade involves developing and implementing a new software package, MicroMain. Much of the data contained in the current automated maintenance system, MAXIMO, can be used and transferred to MicroMain. Current staff will develop this program. The agency will incur annual costs for a support plan to receive technical support for the software and software upgrades, and from BIS for installation of any software upgrades to the service and workstations. The MicroMain software is fully customizable. As this software is implemented staff will be involved and comments/ideas incorporated where possible. In addition, the implementation process for MicroMain will include an evaluation of the current workflow process

and comparison to other facility management entities. The MBC workflow process will be enhanced based upon effective practices employed by other entities.

- **Preventive Maintenance Program:** An automated maintenance software package will aid the agency in scheduling and tracking preventive maintenance work. MicroMain will be used to schedule and track this work. Current staff will develop this program.
- **Web Site:** The agency has developed and implemented a public Internet and internal employee accessible Intranet Web sites. Agency staff continue to maintain and update these. Other site enhancements also are planned to provide additional historical information about the building, a virtual tour and search engine. An ISP vendor has been secured to host the agency's Internet site for a nominal annual cost. Hennepin County currently hosts the agency's Intranet site at no charge -- it is uncertain whether this service will continue to be no cost in the future. FrontPage software is used for creating .html pages for both Web sites. The agency will incur annual costs for a support plan to receive technical support for the software and software upgrades, and from BIS for installation of any software upgrades to the service and workstations
- **AutoCAD:** The agency has been working on organizing and cleaning up master architectural drawings for the agency for the past few years. This process has involved cataloging and organizing hard copy plans, and verifying the accuracy of electronic files, streamlining existing electronic files into one master file for each floor in the building and incorporating updates to electronic master floor plans. Current staff have been spearheading this effort. Access software is used for storing and updating information on the agency's floor plan catalog. This software is part of the standard office suite and is supported through City BIS. No costs are anticipated related to this software package. AutoCAD is used for maintaining and updating electronic floor plans. The agency will incur annual costs for a support plan to receive technical support for the software and software upgrades, and from BIS for installation of any software upgrades to the service and workstations.
- **MLSS Project:** The MBC is completing mechanical and life safety systems upgrades as well as electrical system improvements as part of the Mechanical and Life Safety Systems Upgrade Project. One quadrant of one floor is completed per stage of the MLSS project. The entire building will be complete by 2013. MBC staff plan to implement an automated energy management system involving a 3-computer Network. This system will monitor, track and control the building's heating, ventilation and air conditioning systems as well as lighting. Energy usage data also will be stored and be readily accessible for analysis. Development of the MBC EMS system will help better determine energy usage throughout the building and conserve energy with automated control over system operations.
- **Security Initiatives:** MBC staff have worked with City of Minneapolis and Hennepin County staff to develop and implement a security plan for the City Hall and Courthouse building. Part of this plan involves enhancements to building automated security systems. Additional closed circuit television monitors will be installed. In addition, to make efficient use of existing systems and avoid the need for construction of a costly security command center in the City Hall and Courthouse, MBC CCTV cameras will be connected to the Security Operations Center located in

the Hennepin County Government Center. The County's SOC is in the final stages of renovation and when complete will offer state-of-the-art functionality in the area of security. Once building cameras are connected to the HCSOC, County staff will monitor them 24-hours-per-day. MBC staff also are planning an expansion to the building access control system to additional entrances/exits.

MBC staff identified the following business processes that could be redesigned to enhance services provided by the agency:

- **FISCOL:** A large portion of the business functions of the MBC involves project work. The FISCOL finance system has not been effective in providing information and data needed for management staff on projects. FISCOL does not provide access to timely financial data as there is always a lag on entry of information into the system. Furthermore, several redundant steps of data entry are necessary for MBC payroll information to get into the FISCOL system.
- **Micromain Interactivity:** The agency's new MicroMain software has the capability to interface with other software packages including Aperture, MS Project and FISCOL. Development of the software in these areas would provide more complete information on project and corrective and preventive maintenance work, and streamline and enhance provision of service to customers.

MBC staff strive, wherever possible, to work with City of Minneapolis and Hennepin County staff to enhance work and outcomes in all aspects of agency operations including the area of Information Technology. The MBC works collaboratively with the City and County to share building information for input into Aperture. In addition, MBC staff employ the use of MS Project for tracking and managing build-out and capital projects in the building. City and County staff are included in the project team and contribute in development and maintenance of the project schedule using MS Project. Internal staff input also is sought for improving and making agency information technologies more user friendly and applicable to agency business operations.

## Equipment Plan

The Municipal Building Commission makes extensive use of equipment in all aspects of its operations. Everything from Air Handling Units to floor scrubbers are needed for the care and control of the building.

The MBC uses its Preventive Maintenance Program to identify equipment in need of repair or replacement. Maintenance schedules have been developed for the various equipment items throughout the City Hall and Courthouse. This same database is utilized to track replacement schedules for major equipment. Agency staff are working to further develop an automated equipment replacement schedule.

Major equipment with high costs are capitalized through the MBC Capital Project Program as described in a previous section. A large proportion of critical building electrical and mechanical equipment is functioning beyond its useful life and is in need of replacement. Air Handling units (average cost of \$200,000 per unit) are being systematically replaced under the Mechanical and Life Safety Systems upgrade capital project and life safety system components are being implemented throughout the building: approximately 5 of the 23 stages of this project have been completed. Three other items are currently in either high need or critical status. Those items are the interior court elevators, the tower elevator and the tower clock.

### **Interior Court Elevators (Estimated Remaining Life = 0 years)**

For the past five years, Capital Funding has been requested every year for the interior court elevators. The elevators were installed in the 1940's and are approximately thirty years past the industry standard for elevator replacement.

Every year, Hennepin County has approved funding and the City of Minneapolis has denied funding. Twelve Thousand square feet of office space would not be accessible by elevator if these elevators cease operation. The vast majority (approximately 5/6) of the space served by the elevators is City of Minneapolis office space.

### **Tower Elevator (Estimated Remaining Life = 0 years)**

For the past five years, Capital Funding has been requested every year for the tower elevator. The elevator breaks down on a regular basis requiring passengers to be rescued. This elevator is also approximately thirty years past the industry standard for elevator replacement.

Every year, Hennepin County has approved funding and the City of Minneapolis has denied funding. Five Thousand square feet of City storage space would not be accessible if this elevator ceases operation. The County has no space served by the Tower elevator.

### **Tower Clock (Estimated Remaining Life = 5 years)**

Upgrade of the Tower Clock was proposed for the first time in the 2004 Capital Budget

based on an analysis by Skaaden-Helmes Architects, Inc. That analysis noted heavy corrosion on the clock face, clock hands, and metal structural frame of the clock. Subsequent structural analysis by the engineering firm of Hammel, Green, and Abrahamson, Inc, recommended additional reinforcing be installed to compensate for significant cracks and in the metal structural frame.

The proposed Tower Clock Upgrade was funded by Hennepin County but not by the City of Minneapolis. The clock tower is a historical icon loved by the public. During previous clock malfunctions, phone calls of inquiry and complaint are received almost immediately. It is anticipated that even if the project had been fully funded, the poor condition of the Clock would have attracted significant media attention before the project cued up in the five-year capital budgeting cycle.

The building trades and custodial staff are well supplied with the appropriate equipment to do their jobs. It is likely that some equipment will have to be replaced over the next 5 years. The following list identifies the equipment needs most likely in need of replacement:

**Carpentry**

- 4 Routers @ \$400.00 ea.
- 3 Lasers @ \$3,000.00 ea.
- 2 Hammer Drills @ \$700.00 ea.

**Custodial**

- 2 floor scrubbers @ \$6,000.00 ea.

**Electrical**

- 2 Hilti Drills @ \$1,000.00 ea.
- Core Drill Unit \$4,000.00

**HVAC**

- TSI IAQ-Calc \$2195.00
- TSI - ACCU Balance Hood \$2295.00
- Refrigerant Reclaim unit \$500.00
- Indoor air Quality unit \$2500.00
- Allegro Construction space heater (2) \$1995.00 ea.
- Ladders \$1000.00

**Paint Shop**

- Paint Mixer \$1,000.00
- Lettering Machine \$6,000.00

Total estimated equipment costs of the above items is \$48,480. Annual estimated expenditure \$9,696 for each of the next 5 years.

Another significant area of equipment use for the Municipal Building Commission is in the area of security. In the past few years the MBC has:

- Installed a security gate at the entrance to the under building driveway
- Upgraded the access control software package for the building entrances
- Installed duress/intrusion alarms in selected areas of the building.

In 2004, the MBC will connect selected existing closed circuit television cameras to the newly expanded Hennepin County Security Operations Center. As part of the connectivity project, cameras will be added to provide coverage for the light rail line running along 5th Street. It is reasonable to expect the security equipment installations and upgrades to continue over the next 5 years. Expansion of access control devices and cameras will undoubtedly be part of office redesigns. Entrance doors at 5<sup>th</sup> Street, and 3<sup>rd</sup> and 4<sup>th</sup> Avenues should be looked at for improvements.

## Space Plan

As the facility manager for the City Hall and Courthouse building, the MBC offices do not need to be in close proximity to any particular department housed in the building. Agency custodial, utility, security and trade staff are mobile and work in all areas of the building. Budget and alternative sources of revenue may affect the MBC's workforce and technology but space needs for current staff should remain unchanged. Administrative office space needs are expected to remain constant as well as space needs for agency trade staff. Much of the trade staff space is usable for storage only and the remaining trade staff areas would require substantial renovation to be used as office space.

Agency key initiatives will have the following impact on MBC space needs:

- Budget will affect every level of planning
- The MBC currently has a lease at the Towle building through 2012 to house departments undergoing space improvements through the MLSS project. Changes in the occupancy rate in downtown Minneapolis has widened the pool of available space. In addition, short-term MLSS project space needs are much lower than the space currently being leased. MBC staff are in the process of evaluating the Towle lease to determine potential methods of cost savings. Staff are determining the feasibility of canceling the Towle lease and finding leased space elsewhere or re-negotiating the lease.
- One component of the MLSS project involves installation of new air handling units. The first few stages of the project have involved installation of one AHU to serve to project quadrants. This practice has made more efficient use of limited space; however, in the process space previously usable by tenants has been converted to mechanical room space. Approximately 400 square feet of space is being utilized for mechanical room space per two project stages. The MBC also has lost sink rooms on several floors shrinking the work space available for custodial staff.

The following opportunities will present new uses for City Hall and Courthouse space:

- Catering and space rental
- On-site deli/café
- Vending
- Photography opportunities
- Movie production

Significant strategic implications for the MBC include the following:

- budget and staffing
- other department budgets, needs and direction
- physical plant equipment
- preventative maintenance

- City of Minneapolis, "one-stop-shop" initiative
- City of Minneapolis, strategic space initiative for downtown sites
- staffing decreases will make the MBC unable to meet the build out needs of requesting departments

The MBC as well as City and County departments are facing budget shortfalls. Continued reduction in agency resources will significantly impact the MBC's ability to meet the needs of tenants and complete build-out and other work requested by the City and County. Budget reductions also may decrease the number of service requests from City and County departments. Limited agency resources and reduced customer demand may require the MBC to evaluate elimination of the "work for others" program; however, the elimination of this program would not necessarily affect the space needs for MBC trade staff. The tools and machinery needed to complete and comply with tenant requests will still remain unchanged thereby requiring the same space needs.

## **Section Five: Appendix**

- Appendix One: City of Minneapolis and Hennepin County Goals

## Appendix One: City & County Goals

### City of Minneapolis Goals and Expectations

**Goal 1:** Build communities where all people feel safe and trust the City's public safety professionals and systems.

**Goal 2:** Maintain the physical infrastructure to ensure a healthy, vital and safe City.

**Goal 3:** Deliver consistently high quality City services at a good value to our taxpayers.

**Goal 4:** Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.

**Goal 5:** Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

**Goal 6:** Preserve and enhance our natural and historic environment and promote a clean, sustainable Minneapolis.

**Goal 7:** Promote public, community and private partnerships to address disparities and to support strong, healthy families and communities.

**Goal 8:** Strengthen City government management and enhance community engagement.

### Hennepin County Overarching Goals

**Goal 1:** Healthy. People are healthy, have access to quality health care and live in a clean environment.

**Goal 2:** Protected and Safe. People are safe from harm through prevention, early intervention and treatment services, and through enhanced public safety.

**Goal 3:** Self-reliant. People achieve success with the support of essential services, have access to affordable housing and opportunities for life-long learning.

**Goal 4:** Assured Due Process. People are assured equal protection of the laws through an adversarial and respectful system designed to assure fairness and reliability in the ascertainment of liability, guilt and innocence.

**Goal 5:** Mobile. People and goods move easily and safely throughout the county and the region via an integrated system of transportation.

**Goal 6:** Engaged. People are informed, actively involved in building their community, and have opportunities to be involved in the identification of critical issues and desired results.