

Regulatory Services 2013 Budget Hearing

Department found on pages E208 – E214 in budget book

Presentation to Ways and Means/Budget Committee
Date October 17, 2012

Overview

Regulatory Services 2013 budget

- 2013 budget summary
- Steps to achieve 2013 budget
- Budget and resource pressures
- Budget by program
- 5% more versus 5% less
- Efficiencies
- Initiatives
- Significant partnerships
- Significant contracts

2013 Budget Summary

(Amounts shown in millions)

	2012 Adopted	2013 Mayor	2012 Adopted to Mayor	Direction
General Fund Revenue	\$35	\$37.8	8%, \$2.8	↑
Other Funds Revenue	\$7.3 (projected \$6.1)	\$5.7	22%, \$1.6	↓
Total revenues	\$42.3	\$43.5	3%, \$1.2	↑
General Fund Expense	\$30.3	\$30.7	1%, \$0.4	↑
Other Funds Expense	\$9.7* (projected \$7.6)	\$6.5	33%, \$3.2	↓
Total Expenses	\$40	\$37.2	7%, \$2.8	↓
FTE	293	293	No change	

Note: Assumes existing Regulatory Services configuration

* Relates to two-year spend down plan in 2011 and 2012

Key Steps to Achieve 2013 Budget

Additions

- \$203,000 – Energy benchmarking and pollution reduction (1 FTE)
- \$511,000 – Health Inspections (6 FTE, resources for 4.5 FTE)

Subtractions

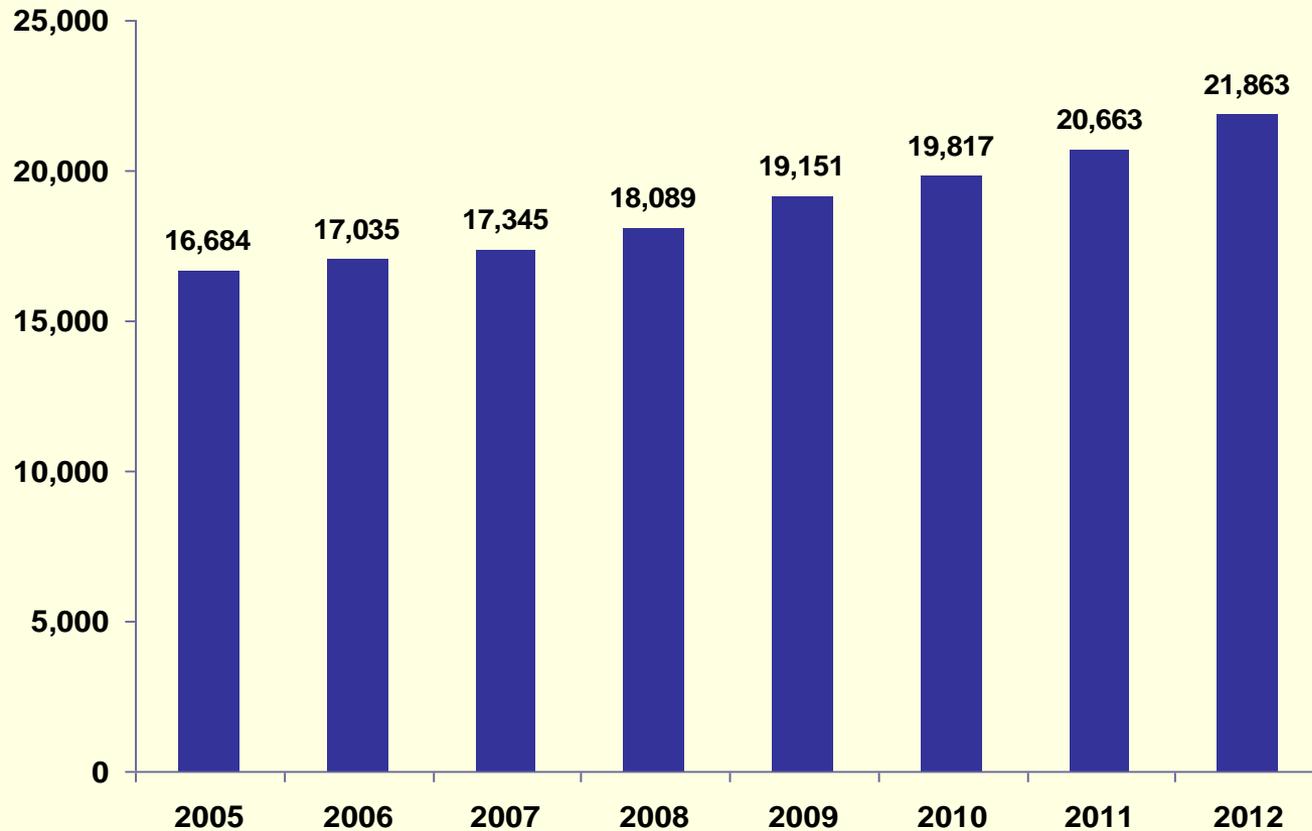
- \$570,000 – Eliminate 6.5 FTE
- \$100,000 – Transfer 1.0 FTE to CPED
- \$200,000 – Reduce interns (approx. 20)

Other

- \$250,000 – Absorb credit card fees, seeking alternate solution
- Revolving Fund spend down plan primarily complete in 2012
 - \$800,000 – Reduce demolitions & other contractor paid abatement

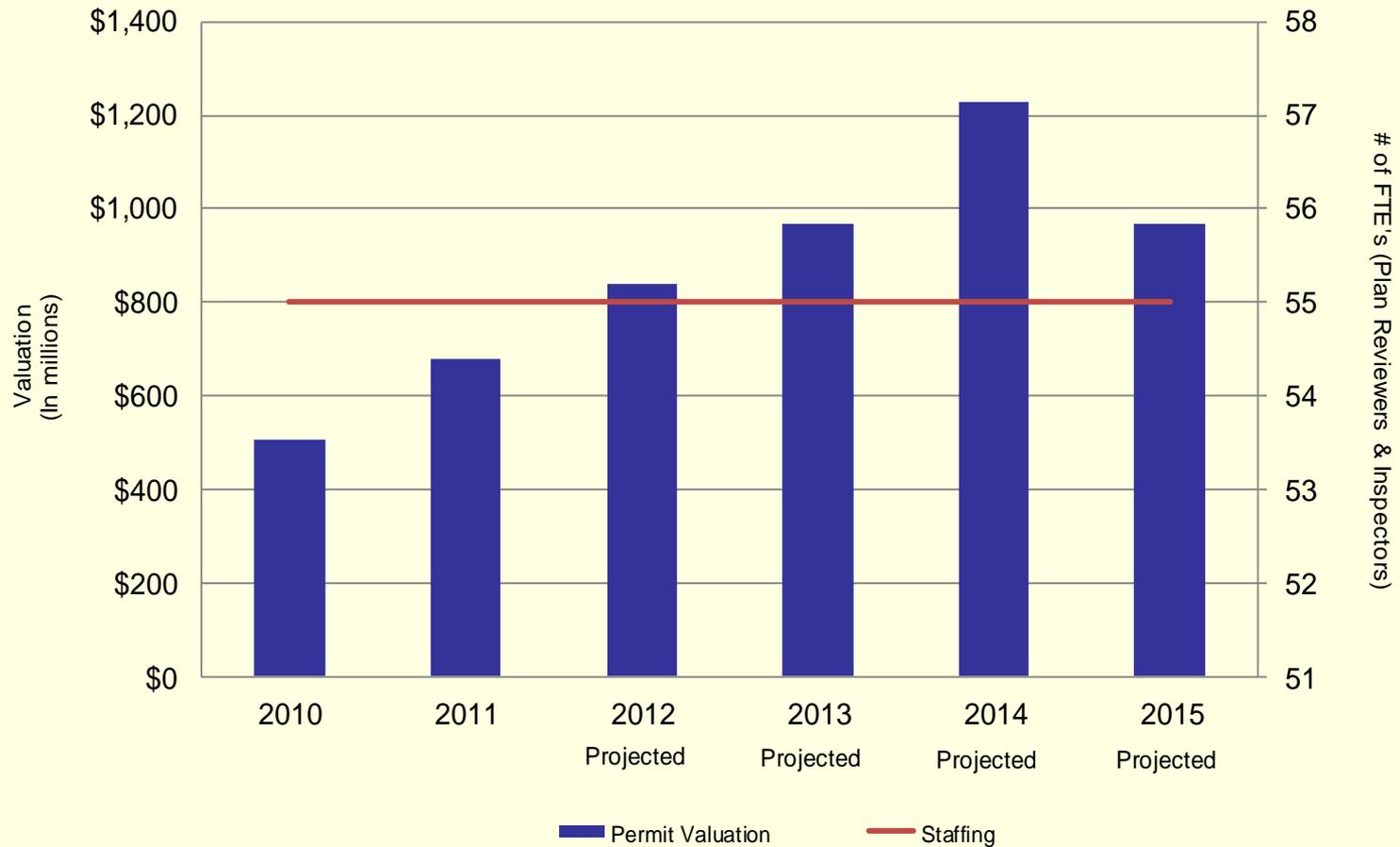
Budget and Resource Pressures

**Rental License Permits
2005-2012**



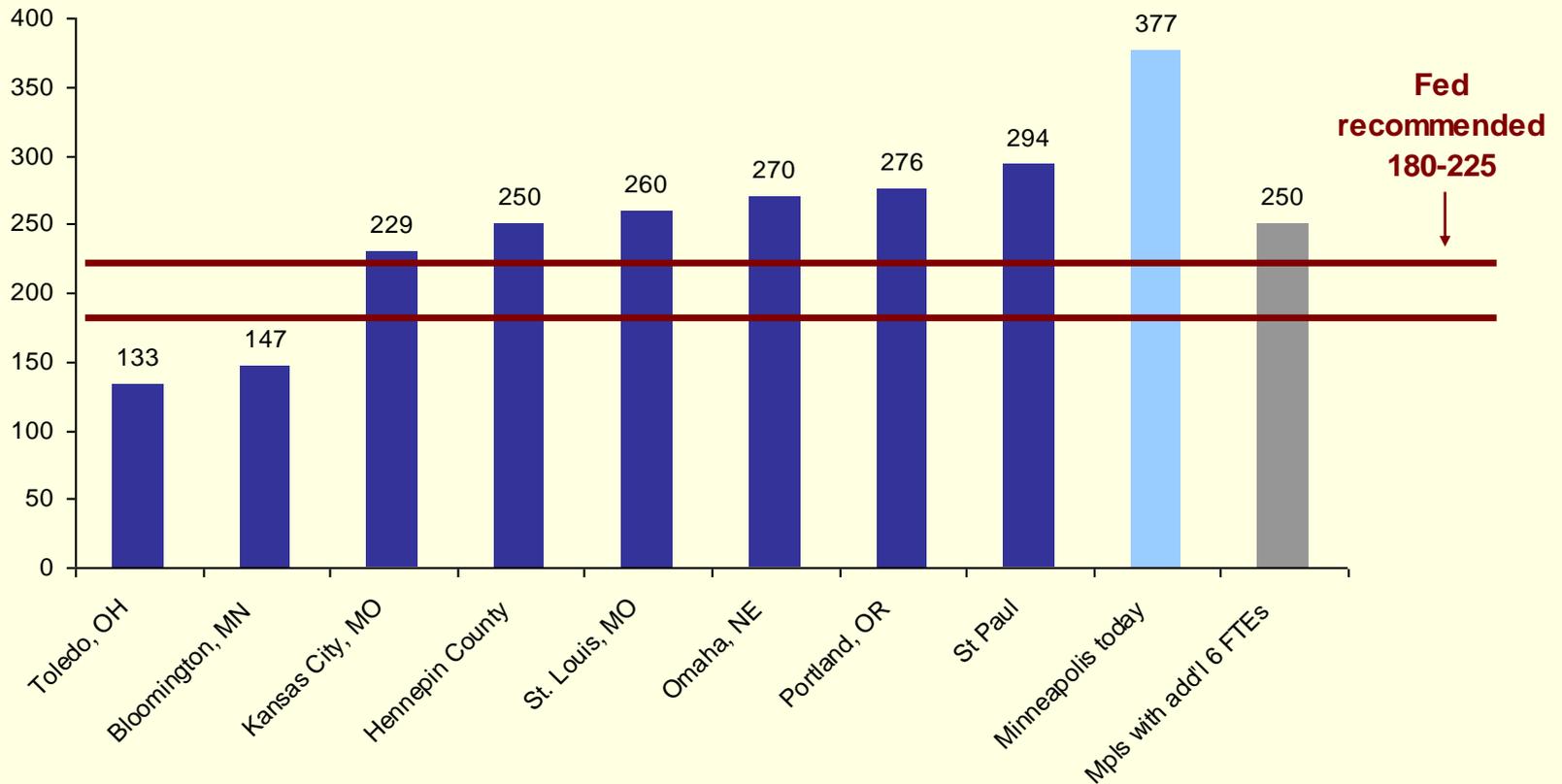
Budget and Resource Pressures

Permit Valuation and Plan Review & Inspections Workload



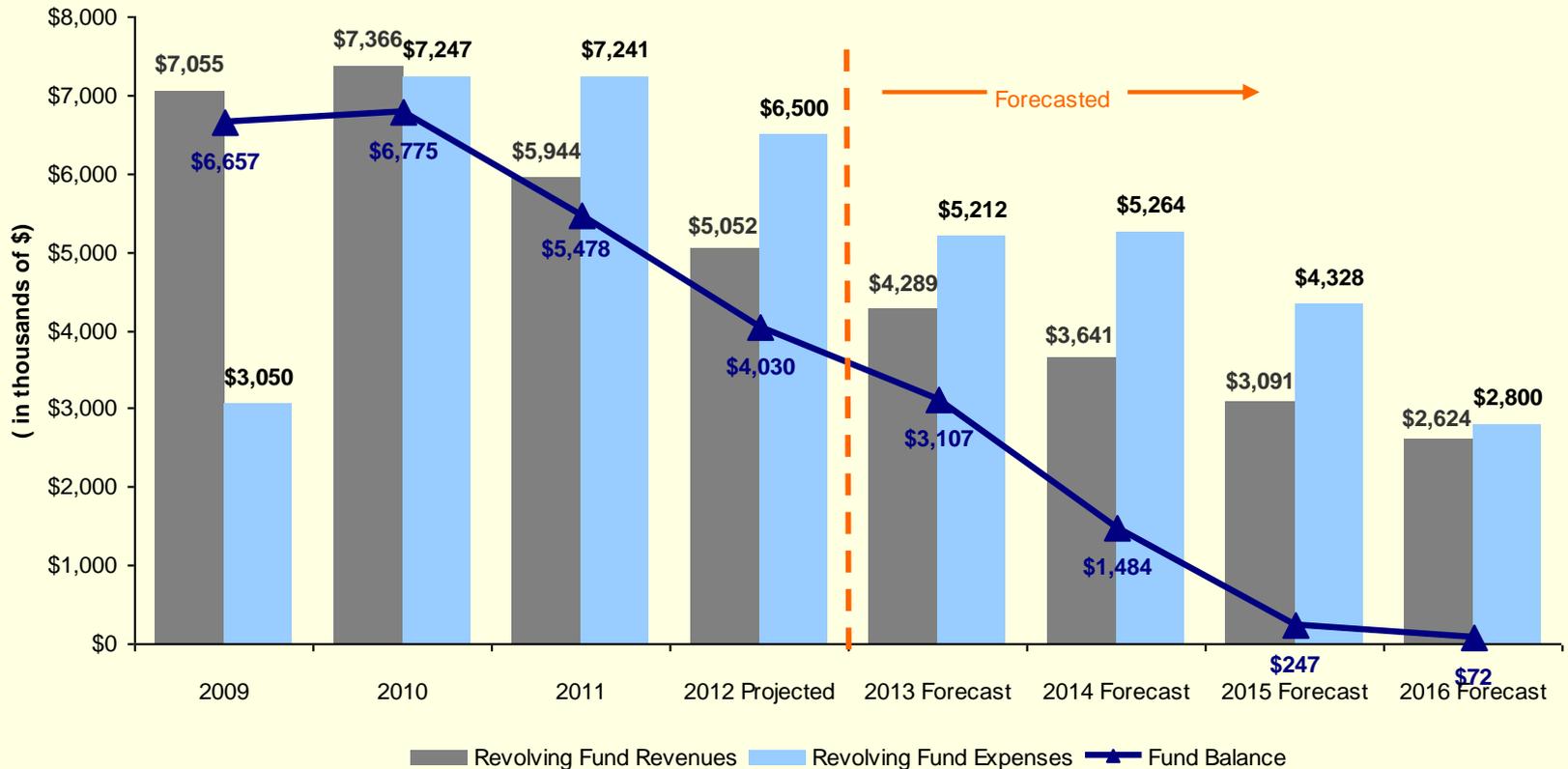
Budget and Resource Pressures

Number of Facilities per Food Inspector



Budget and Resource Pressures

Special Revenue (Revolving) Fund Changes
(in thousands)



Budget and Resource Pressures

- Increased construction activity – Plan Review, Building Inspections and Traffic Control will require additional resources or acceptance of service level reductions
- Food Safety Inspectors – State audit compliance will require full staffing model
- Credit card fees – City must develop long-term strategy, (expected \$250,000 in 2013, not budgeted)
- Land Management – This project will require increased staffing commitment which will pull away from other activities for 2013 and 2014
- Reorganization – A smaller Regulatory Services will limit previously demonstrated ability to absorb unexpected or one time costs

2013 Budget Summary by Division

Division	General Fund Expenses	Other Funds Expenses (Revolving and Grants)	FTE
Licenses and Environmental Health	4,948,474	0	46
Construction Code Services	7,481,907	359,826	64
Minneapolis Development Review	2,298,620	11,000	19
Traffic Control	4,246,121	0	44
Animal Control	2,207,624	0	20
Environmental Services	1,218,952	230,194	11
Housing Inspection Services	4,138,520	4,810,135	58
Fire Inspections Services	1,605,712	0	13
Lead Hazard Control	422,549	1,042,046	9
Administration	2,180,799	0	9
Totals	30,749,278	6,453,201	293

Note: Assumes existing Regulatory Services configuration

Department Programs – Minneapolis Animal Care & Control

■ Description of program

- Pick up and shelter stray and unwanted animals, investigate dangerous animal and animal cruelty cases, public education on animal issues, issue agricultural permits and pet licenses, and enforcement of animal-related codes

■ Key results

- Pet licensure:
 - Through third quarter 2012, 14,663 pets were licensed, up from 11,901 through third quarter 2011
- Serious dog bites
 - Through third quarter 2012, there were 62 serious bites recorded, down from 76 through third quarter 2011
- Total declarations (dangerous, potentially dangerous, destruct)
 - Through third quarter 2012, there were 181 total declarations, down from 191 through third quarter 2011

Minneapolis Animal Care & Control

- Impact of Mayor's Budget
 - Proposed staffing level is at the minimum to operate at full capacity, still resulting in occasional restrictions in operations
 - The budget results in decreased flexibility for non-personnel expenses (training, credit card fees, etc.)

- How do these changes effect the program in 2014 and beyond?
 - This impact will continue into 2014 and beyond

Department Programs – Traffic Control

- Description of program

- Maintain traffic flow management for events, emergencies and other traffic situations and City-wide parking enforcement

- Key results

- Increased traffic citation revenue 22% between 2010 & 2011
- Increased use of technology (enforcement devices, T3 scooters, reporting) will continue to increase efficiency

Traffic Control

- Impact of Mayor's Budget
 - This division will still be able to perform its core functions in the same manner and with the same efficiency
 - With the elimination of one position, the ability to respond to lower priority items like abandoned vehicle reports will be impacted
 - Without the additional staffing requested for the stadium construction site, the division will be unable to provide sufficient traffic control in that area and enforce parking violations at current levels
- How do these changes effect the program in 2014 and beyond?
 - This impact will continue into 2014 and until stadium activity is finished

Department Programs —

Housing Inspection Services

■ Description of program

- Maintains and promotes safe structures by inspecting and enforcing housing maintenance codes, demolishing dangerous properties, and boarding up problem vacant structures
- Works to create livable neighborhoods by inspecting and resolving property nuisances such as garbage and tall grass

■ Key results

- In 2010, there were 99,990 housing inspections, of which 50,746 resulted in orders due to violation
- In 2011, there were 102,578 housing inspections, of which 52,170 resulted in orders due to violation
- In 2010, there were 89 demolitions and 195 rehabilitations
- In 2011, there were 47* demolitions and 136 rehabilitations

* Does not include 30 tornado-related emergency demolitions

Housing Inspection Services

- Impact of Mayor's Budget
 - The proposed budget eliminates .5 FTE, most intern funding, and reduces demolition and contractor abatement funding by \$800,000
 - Complaint-based, reactive enforcement of exterior nuisance conditions will be maintained at current levels
 - Proactive enforcement of exterior nuisance conditions will be significantly reduced as a result of lower intern levels
 - A continued emphasis on restoration agreements as a means for abating vacant nuisance buildings will be maintained as demolitions decrease
 - Tiered, risk-based rental license inspections will be maintained. Turnaround time frames will be adjusted based on workload and staffing levels

- How do these changes effect the program in 2014 and beyond?
 - The Regulatory Services Special Revenue Fund, "revolving fund" revenue trajectory will likely require significant staffing reductions or general fund changes in 2014 or 2015

Department Programs — Fire Inspection Services

■ Description of program

- Maintains and promotes safe structures through plan review, code enforcement, and fire/life safety inspections of complex residential, commercial and industrial buildings

■ Key results

- From 2008 to 2010, the number of inspections ranged from 3,485 to 3,728. In 2011, inspections were 5,403
- From 2008 to 2010, documented violations ranged from 3,969 to 4,818. In 2011, documented violations were 8,390
- From 2008 to 2010, citations ranged from 120 to 217. In 2011, citations were 381

Fire Inspection Services

- Impact from Mayor's Budget
 - The proposed budget maintains staffing at current levels
 - The improved performance this unit achieved in 2012 will be maintained

- How do these changes effect the program in 2014 and beyond?
 - Maintaining staffing levels will allow this unit to continue to improve cost recovery and compliance rates

Department Programs

Construction Code Services

■ Description of program

- Safe, durable structures through plan review, construction inspections, truth-in-housing, competency testing and registration of contractors, and identifying unpermitted work

■ Key results

- In 2012, 97% of construction inspections are completed within 48 hours of the request for service
- Maintained plan review and inspections performance benchmarks in the midst of an apartment construction boom

Construction Code Services

- Impact of Mayor's Budget
 - Staffing – Current staffing levels maintained for 2013, adequate for current workload
 - Continued Construction Growth – Continued construction boom will impact plan review and inspections measures without additional resources
 - Interns – Intern reduction could impact plan review measures
 - Credit card fees – City needs long-term plan, not currently budgeted
 - One-time – Expected one time costs (competency cards and code books ~ \$150k) in 2013 not budgeted, likely to request carryover

- How do these changes effect the program in 2014 and beyond?
 - Several of these items will have impact that will continue into 2014 and beyond

Department Programs – Minneapolis Development Review

■ Description of program

- Provides efficient ways for the public to access development/building applications and review, permitting, licensing, zoning and inspections services all in one location, in person and on the web

■ Key results

- Through process improvement and use of technology, nearly 90% of permits are now issued in 1-2 days
- In the last three years, 20% more construction permits were issued online, saving time for staff and customers

Minneapolis Development Review

- Impact of Mayor's Budget
 - With the reduction of 1 FTE (Development Coordinator) the ability to support large development projects may be limited
- How do these changes effect the program in 2014 and beyond?
 - The projected high construction activity may create a challenge

Department Programs – Environmental Health/Licenses & Consumer Services

■ Description of program

- Public safety through education and enforcement of City codes related to business licensing, food, liquor, construction trades, taxi cabs and general licenses

■ Key results

- In 2010, there were 20 licensed food trucks. Year-to-date 2012, there are 48
- In 2007, there were 180 short-term food permits and 29 short-term liquor licenses. For 2011, there were 499 and 71
- In 2011, there were 3,392 mandated health inspections. For 2012, there are 3,595 mandated health inspections
- In 2011, there have been 223 Health Plan Reviews year-to-date. For 2012, there are 265

Environmental Health/ Licenses & Consumer Services

- Impact of Mayor's Budget
 - The budget adds 6 FTE Food Inspectors at \$511,000. However, the cost for 6 FTE is \$678,000 so only 4.5 would be hired
 - A reduction in interns will exacerbate the existing staffing challenges faced by Environmental Health
- How do these changes effect the program in 2014 and beyond?
 - This impact will continue into 2014 and beyond
 - In 2014, expect additional resource needs for stadium related work

Department Programs – Environmental Services

- Description of program

- Provide education and enforcement of the City codes related to air quality, water quality, and a clean healthy outdoor environment

- Key results

- Launched green business matching grant program (helped dry cleaners eliminate carcinogens)
- In 2008, there were 436 noise complaints with subsequent inspections. In 2011, there were 276

Environmental Services

- Impact from Mayor's Budget
 - Includes addition of \$203,000 for energy benchmarking and energy improvement with pollution control FTE
 - Proposed staffing will provide proactive energy and pollution reduction
- How do these changes effect the program in 2014 and beyond?
 - Continuation from 2013

Department Programs – Healthy Homes & Lead Hazard Control

■ Description of program

- Investigate sources of lead poisoning, identify and remediate health hazards in homes through grants. This program is primarily grant-funded with limited General Fund matching

■ Key results

- In 2006, there were 206 confirmed children with lead poisoning. 60 lead rehabs were done and 25 preventative rehabs. Rehabs are typically done in the years after the diagnosis
- In 2011, there were 74 confirmed children with lead poisoning. 112 lead rehabs were done and 266 preventative rehabs

Healthy Homes & Lead Hazard Control

- Impact of Mayor's Budget
 - Proposed budget will allow for most program functions to continue without impact
 - An Office Support Specialist position is being eliminated. This will increase the workload on the remaining administrative staff as well as decrease flexibility around the division
- How do these changes effect the program in 2014 and beyond?
 - This impact will continue into 2014 and beyond
 - CDBG reductions will result in the loss of a lead risk assessor and elimination of immediate remediation of lead hazards

Administration

(resources allocated throughout other programs for budget book)

- This division provides oversight for the department, including the following services
 - Human resources management
 - Business planning
 - Financial management
 - Technology management
 - Website management
 - Travel management
 - Fleet management
 - Project management of new initiatives
 - Elected official liaison/Council process coordination

- Impact of Mayor's Budget
 - The Mayor's Budget eliminated 3 FTE (Directors) and transferred 1 FTE (Director), which will reduce managerial oversight of the department

2013 Budget Planning

- If 5% increase was approved (equaling \$830,000), please identify the top priority uses
 - Resources to maintain service levels during increased construction activity
 - Full staffing for Environmental Health (Food Inspectors)
 - Interns

- If 5% decrease was approved (equaling \$830,000), please identify the cuts
 - Animal control warden
 - Licensing staff
 - Two traffic control agents
 - Staffing for rehabilitation agreements
 - All General Fund interns

Recent and Planned Efficiencies

- As efficiencies have been implemented, what has the department done differently with resources?
 - Historically, the department has reallocated any savings from efficiencies into other needed business functions, including
 - Funding Enterprise Land Management System project
 - Space improvements, including Aldrich and Currie
 - Building Problem Properties unit
 - Efficiencies have allowed us to improve productivity to achieve significant performance and service improvements
 - Planned efficiencies include:
 - Handheld ticket writers to reduce traffic control agent time in office
 - Electronic plan review intake/review will reduce customer and staff time
 - Online permit expansion opportunities will reduce staff time
 - Animal Care and Control technology project would decrease the amount of time staff spend on paperwork

New Initiatives

- New initiatives for 2013.
 - Newly funded:
 - New food inspectors will be hired
 - New energy benchmarking/energy improvement initiative
 - Funded within existing:
 - Nuisance grass cutting by Minneapolis high school students
 - Ordinance rewrites (CCS)
 - Continued customer service initiative

- New technology initiatives within existing resources, including ongoing costs and wireless
 - Projects in process
 - Enterprise Land Management System project – ongoing costs unknown so far
 - Wireless Wifi/Verizon solution installed in many vehicles
 - Cognos enhancements to analyze traffic control citation data – small ongoing cost
 - Wireless handheld traffic control devices – ongoing costs are budgeted
 - Expanded utilization of Chameleon in Animal Care and Control

Enterprise Land Management System

The Enterprise Land Management System project is well underway:

- Project was approved at \$12 million
- \$11.4 million has been transferred to the project in the IT fund
- Rollover process will be used to request that complete funding be provided for the project
- RFP will be issued winter 2012 with proposals due early 2013
- Multi-department benefit

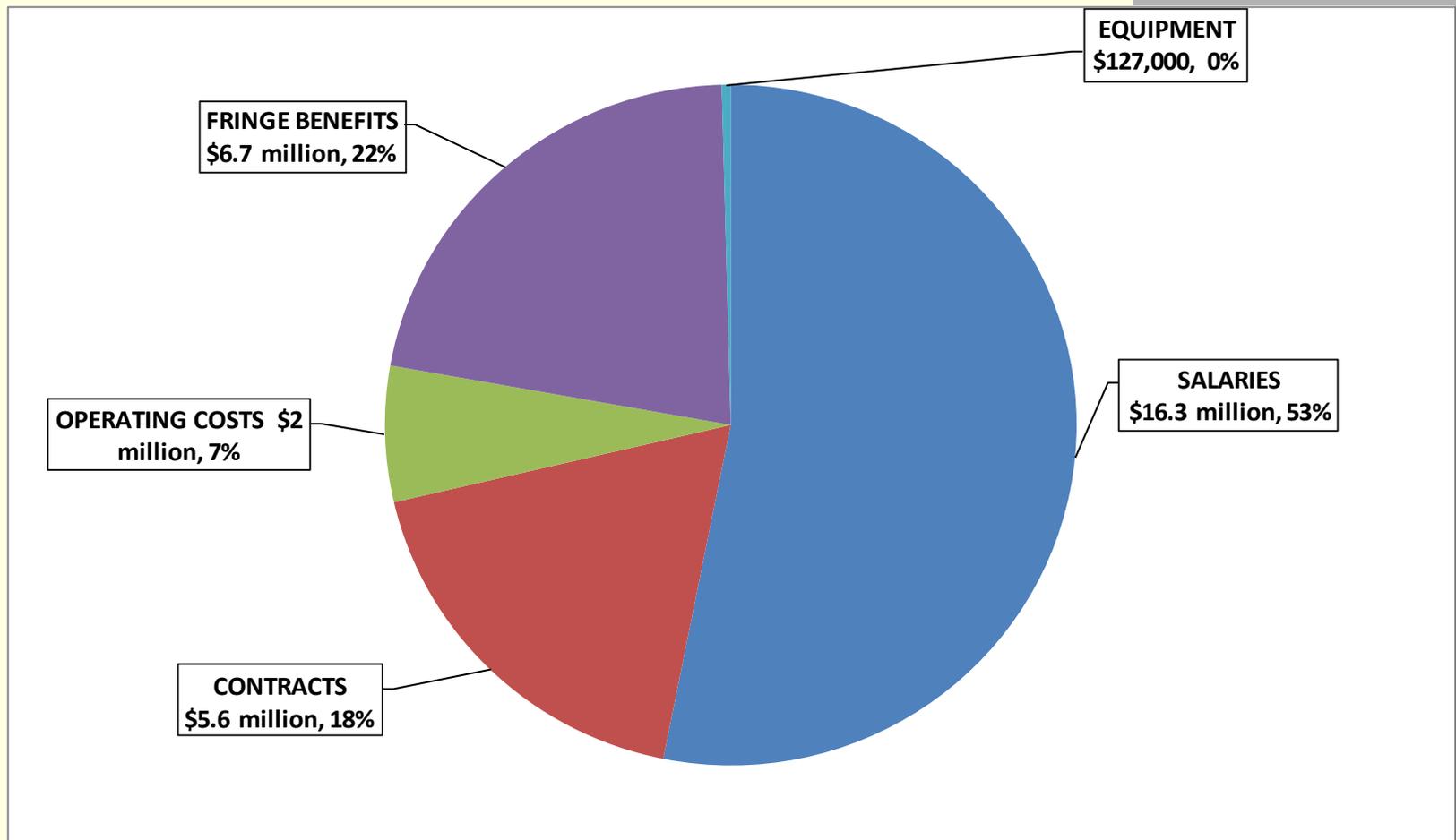
Partnerships

- What partnership opportunities does the department have?
 - The department partners with other cities, counties, states, federal agencies, non-profits, local and national organizations, community groups, business groups, and educational institutions
- Can the Council assist in the department's partnership efforts?
 - The Council is already assisting the department with partnership efforts

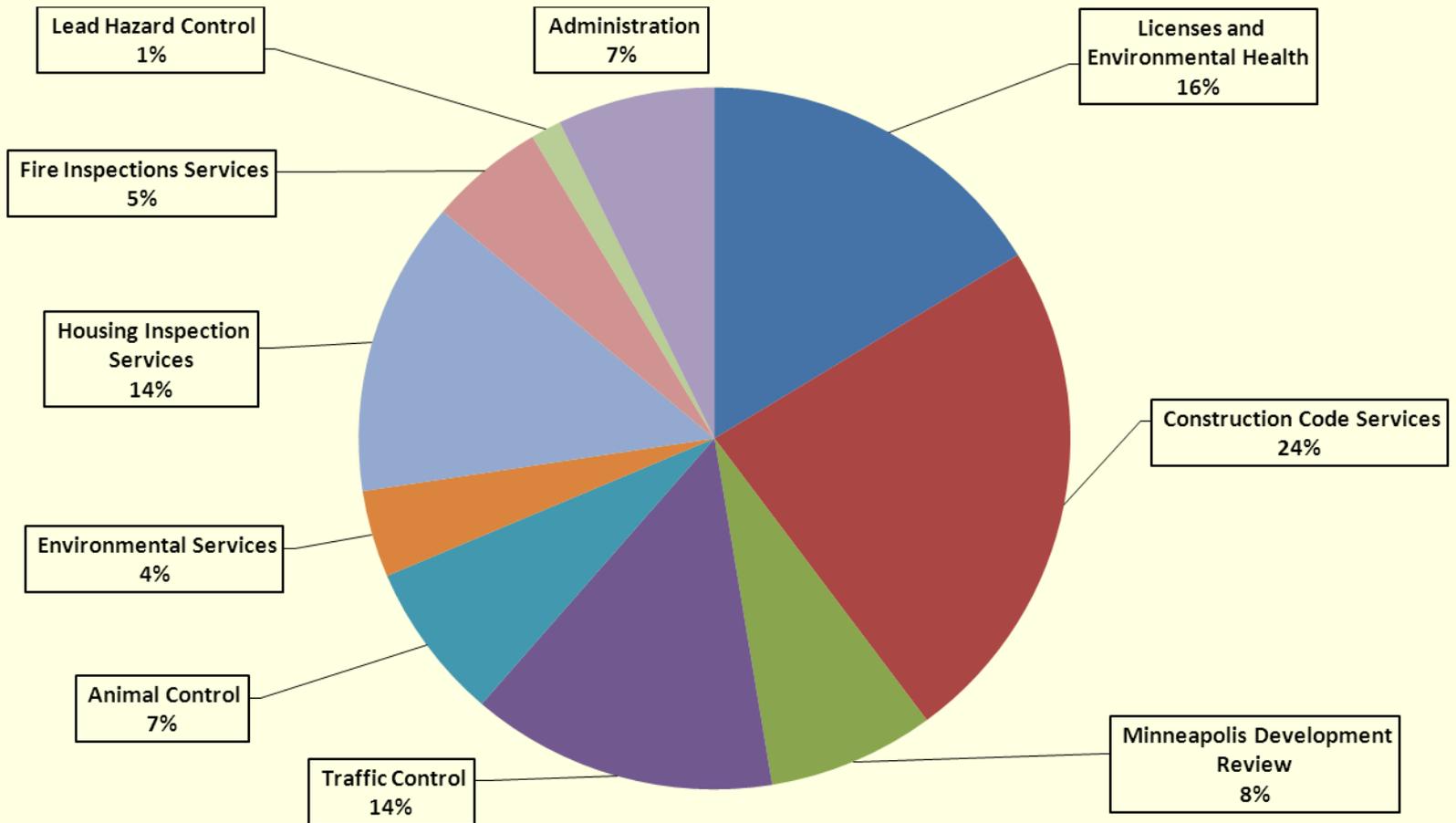
Major Contracts in Departments

- Identify major contracts in your department
 - Nuisance abatement contracts are estimated at about \$900,000. These include board-ups, arborists doing tree trimming and removal, grass/weed cutting, and rubbish removal (Public Works)
 - Problem property policing support from the Minneapolis Police Department (MPD) is budgeted at \$100,000
 - Demolitions, including Chapter 249 and emergency demolitions
 - Please note which expenditures in your budget may provide opportunities to increase the use of Women or Minority Business Enterprise (W/MBE) contractors.
 - The department works closely with Civil Rights to increase W/MBE contractors whenever possible

Expenditures by Type (\$30.7 million General Fund)

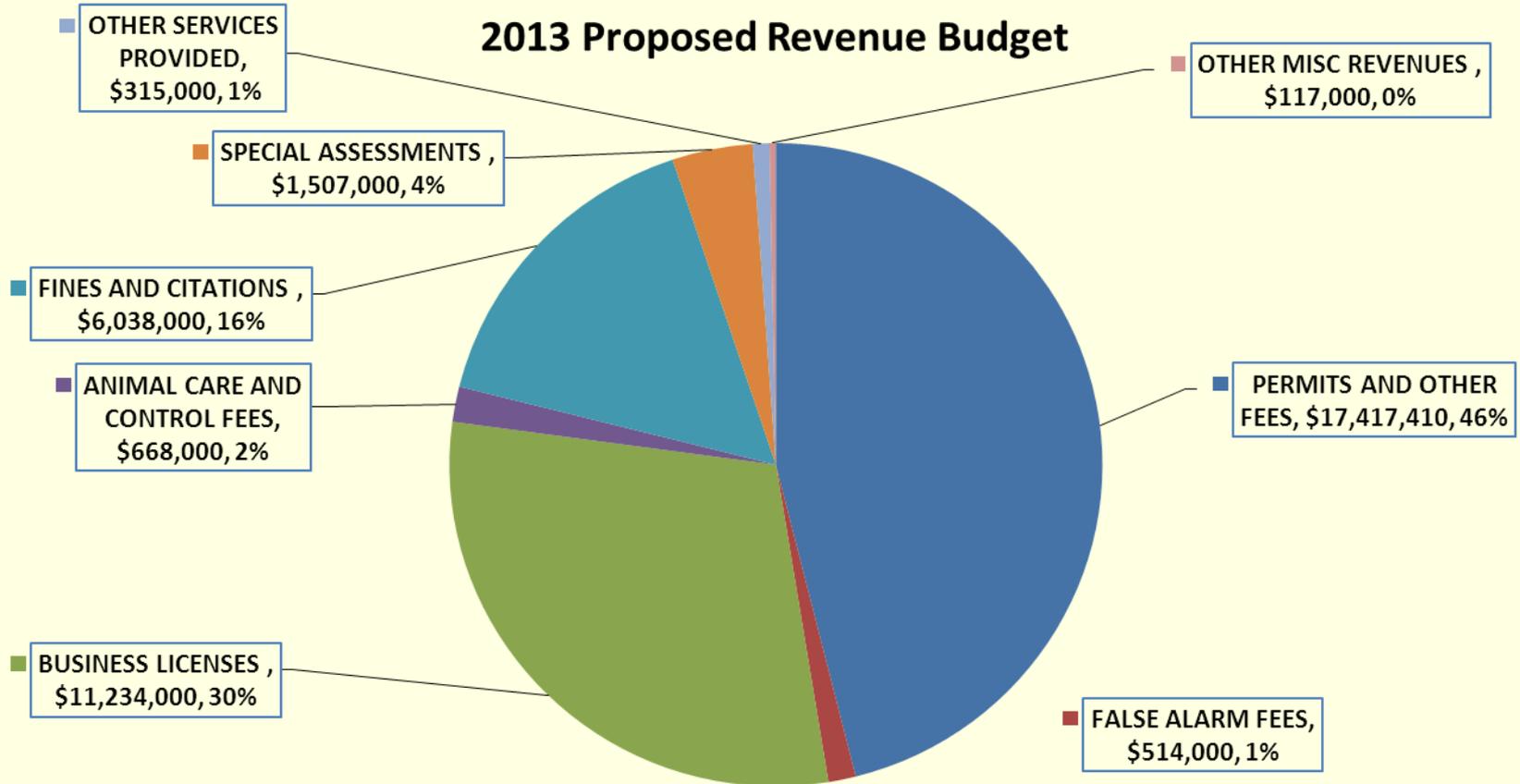


Expenditures by Division (\$30.7 million General Fund)



Revenue by Type

(\$37.8 million General Fund)



As Reflected in Budget

As Reflected in Programming

