

# Summary of State Shutdown on City Departments

## *Financial Impact: Federal Grants that Pass Through the State*

### BIS Department

BIS receives federal money through the State for E-Charging.

### City Attorney's Office

The MCAO receives a Violence against Women Act (VWA) grant from the federal government that passes through the State's Office of Justice Programs, and BIS helps to facilitate this grant.

### Finance Department

The City receives some federal funding that passes through the State for unemployment claims. To cope, the Finance Department would be in a holding pattern with no payments issued or would make payments with no change of recovery for those funds paid out in dispute by the City. We would be in a holding pattern with no payments issued or making payments with no chance for recovery of those funds paid out in dispute by the city.

### Department of Health and Family Support

Minneapolis receives \$3.2 million in grants from the federal government. These funds support 7.5 FTEs and a number of grants to community agencies including a \$70,000/month contract with the Minnesota Visiting Nurse Agency. One of the federal grants that the Department receives is funded with American Recovery and Reinvestment Act funds.

### Homeland Security and Emergency Management

Work on pass-through federal grants may continue during a shutdown until the time is needed for any State employee support, monitoring or intervention. At that point, the work must be suspended. Additionally, payment will be suspended during the shutdown, as mentioned in the original grantee and contractor letter. Any grant that is only encumbered expecting FY 2012 funds may not continue.

### MECC/9/11

MECC/911 receives some federal funding that is earmarked for special projects, such as FirstWatch Dashboard.

### Regulatory Services

Minneapolis' Department of Regulatory Services receives ten grants, some as federal grants passing through the State and others as grants from the State of Minnesota.

### Public Works

Minneapolis Department of Public Works has over 40 projects that rely on federal grants passing through the State; primarily, these grants pass through MnDOT. During a shutdown, these projects will have their implementation delayed, suspend the work, or have other potential impacts such as delayed payment due to the shutdown.

## ***Financial Impact: State Grants and Appropriations***

### Minneapolis Convention Center & Target Center

The City of Minneapolis is requesting \$8 million in state bonding for Target Center improvements.

### CPED

During a shutdown, Minnesota Historical Society will not be able to honor payment requests for Legacy Program grants in a timely manner, creating cashflow issues for the City once we pay our vendors. Also, the MHFA will not be able to honor payment requests in a timely manner, creating cashflow issues for the City's subrecipient developers.

If the MPCA delays issuance of "No Association", "No Determination", and other regulatory letters, projects may not be able to secure final financing or move forward as planned. This is significant as we head into the Minnesota construction season.

Also, MPCA may not be able to review and approve draft Response Action Plans in time for developers to be able to apply for brownfields grant funds November 1, 2011. This will impact State, County, and Metropolitan Council grant programs.

During a shutdown, DEED will not be able to honor payment requests in a timely manner, creating cashflow issues for both the City's and our subrecipient developers' vendors. Projects awarded grant funds by DEED in the May 2011 funding cycle will be delayed because grant agreements will not be prepared in a timely manner.

Finally, the doomsday scenario is that all State-funded work will be under embargo during the shutdown. The City and developers would not be reimbursed for work performed during the shutdown.

### Fire Department

The Fire Department has one small grant (\$65,000) through the Department of Public Safety. The funds are paid upon reimbursement request and at this time we have no outstanding requests and will not make purchases against the grant during the shut-down period.

### Department of Health and Family Support

Minneapolis' Department of Health annually receives \$3.8 million in State grants. Some are paid in monthly installments and others by reimbursement. These funds support 30.5 FTEs

which includes 18 School Based Clinic staff. These funds also support grants to a range of community based organizations.

In a shutdown, the City's Department of Health's cash flow would be significantly affected. According to information provided by the Minnesota Department of Health there is a possibility that there will be no reimbursement for any work performed during a shutdown by City staff or contracting agencies. It receives \$600,000/month in state and federal grants that pass through MDH. If a shutdown lasts longer than two weeks, 60% of the City's Department could be considered for lay-offs.

#### Homeland Security and Emergency Management

The Professional/Technical contracts for the CAT, Emergency Response Team, and the Bomb Squads have been extended on an emergency basis and they may continue.

#### Human Resources Department

The Department's annual reimbursement requests (approx. \$260,000) for medical premium costs for 25 disabled peace officers and firefighters are due to the Department of Public Safety by July 31; a shutdown could delay the City's receipt of premium reimbursements.

#### MECC/911

Minneapolis receives \$45,000/month from the 911 Surcharge, which is a line-item in the State budget.

#### Minneapolis Police Department

MPD receives the following state-funded grants: Auto Theft Prevention, Financial Crimes Task Force, Violent Crimes Fugitive Task Force, and Narcotics Task Force.

The City has a CIBRS Grant for CAPRS data transfer to CIBRS totaling \$65,000. After receiving its first payment, MPD is waiting for \$29,275 in payment for three deliverables that have been met and signed off on by MPD and the State. The final \$12,325 of the CIBRS grant has been billed to the State but still need to be signed off on. The last two deliverables are expected to be completed before June 30.

Other grants include MNJAC, SIC crime analysts, 2 bomb grants, emergency preparedness grants, Drug Court through Hennepin County, Safe and Sober traffic grants, Heat, and Nightcap. MPD's Finance department estimates these grants to be worth \$200,000.

If the State does not keep staff to process grant payments during a shutdown, MPD will temporarily incur the expenses until the shutdown is over and then will be reimbursed. MPD will not be expending any unnecessary expenses during the shutdown so as to avoid the possibility of non-reimbursement.

Part of MPD's grants pay for salary costs for four FTEs. Currently, MPD does not have plans to lay off these employees during the shutdown. The best case scenario is MPD would be reimbursed for their salaries after the shutdown ends. The worst case scenario is MPD would not

be reimbursed for the period of time during the shutdown; if this were to happen, MPD would have to cover the costs for the salaries during the shutdown, which MPD is prepared to do at least in the short term.

### Property Services

Property Services has three energy-related projects:

- Department of Commerce Contract B 45367: \$1.35 million to be spent on solar energy projects along the Energy Innovation Corridor. Money spent as of 5/31/2011: ~\$42,500. Current contract deadline: September 30, 2011
- Department of Commerce Contract B 49795: \$137,807 in Facility Cost Share grant to add energy conservation measures to city buildings. Money spent as of 5/31/2011: about \$19,000. Current contract deadline: September 30, 2011.
- Department of Public Safety: Contract not yet signed for money towards addition to Emergency Operations Training Center. \$750,000 from federal government, \$750,000 from State, with all the money being administered through the State. No deadline.

There is little that can be done on the first project by June 30 as we just released contracts for sign-off. The second project will have some significant expenses in June, perhaps up to \$75,000. The third project has not been started yet.

### Public Works

Public Works has a maintenance agreement with MnDOT for State Trunk Highways in Minneapolis, including Olson Highway, Hiawatha Avenue, University Avenue N and SE, 4th Street SE and Central Avenue. This agreement is for street maintenance, such as pothole repair, graffiti, sweeping, traffic signs, etc. Public Works will discontinue all work in these areas if a shutdown occurs.

Public Works has an operating and maintenance agreement with MnDOT for the ABC Parking Ramps. During the shutdown the parking ramps will be open; however, no major maintenance will occur. Operating costs are approximately \$700,000 per month.

### Regulatory Services

Minneapolis' Department of Regulatory Services receives ten grants, some as federal grants passing through the State and others as grants from the State of Minnesota.

Final billing for Lead Training grant may be delayed, funds needed to be expended by June 30, 2011. Invoice was sent earlier this month so dollar amount outstanding is relatively small (under \$5,000).

## ***Licensing & Certification***

### *Assessor's Department*

The Assessor's Department depends upon the State for licensing. City Assessors may be licensed by all or a combination of the following State agencies: Department of Commerce, State Board of Assessors, and State Board of Equalization. Earlier, the Department of Revenue issued a notice to the Assessor's Department reminding assessors to renew their expired licenses before a shutdown.

### *City Attorney's Office*

Minneapolis City Attorney's Office (MCAO) attorneys are licensed through the Minnesota Supreme Court.

### *Fire Department*

All full-time firefighters are now required to be licensed by the State to be eligible for permanent employment by a fire department. The deadline is July 1st, 2011. There remains one Fire Department employee who has not obtained the license. Failure to obtain a license will result in progressive discipline, up to termination.

### *Licensing and Environmental Services*

The Division of Licenses and Consumer Services works closely with the State of Minnesota Department of Alcohol, Gambling, and Firearms. When the City of Minneapolis grants a new liquor license or approves the renewal of such a license, the State then grants a State license and an alcohol buyer's card. In the event of a state shut down it is likely that new liquor licensees, having their liquor license granted by the City Council, would not be able to get a state liquor license or buyers card. In the event that an existing liquor retailer is placed on the "No Ship List" prior to a shut down they would not be able to correct the problem and order more alcohol supplies. Any liquor licenses not approved at the June 17<sup>th</sup> City Council meeting will not receive a state liquor license or alcohol buyers card if the shutdown occurs on July 1<sup>st</sup>.

Newly-formed businesses would not be able to apply or receive corporate documents such as a certificate of incorporation, articles of incorporation, or a certificate of assumed name from the Minnesota Secretary of State's Office.

New business entities would not be able to obtain a Minnesota Tax ID number from the Department of Revenue, which is a mandatory piece of data for every Minneapolis Business License.

Taxicab drivers must have a Minnesota Drivers license in order to hold a Minneapolis Taxicab Drivers License. They will not be able to drive a Minneapolis Taxicab if their Minnesota Drivers license expires. This is a function of the Minnesota Department of Public Safety.

Building Contractors may not be able to become licensed as a State of Minnesota residential building contractor. This is a function of the Minnesota Department of Labor and Industry.

All of the functions listed are functional, not financial.

### Minneapolis Police Department

Minneapolis peace officers are licensed by the MN Post Board. Chief Dolan told the City's shutdown task force that all officers were reminded to renew their licenses before June 30; if their license expired during a shutdown, they would have a mandatory leave of absence until they could be re-licensed by the State.

### Public Works

The State does some licensing and certification for Public Works.

### Regulatory Services

The State issues many construction-related licenses and certificates that pertain to City employees and our customers in the construction industry. The City employees holding certificates that lapse during the shutdown would be unable to perform inspections; contractors having expired or no credentials will not be able to pull permits with us during the shutdown.

All Inspectors and Traffic Control Agents may be unable to renew their driver's license, which will prevent them from performing their job. They have all been directed to renew their license already, so this may not be an issue.

Lead Risk Assessors are licensed by the State annually. Adequate numbers of staff retain their licenses currently, but this may be a problem if shutdown lasts over three months. Sanitarian License renewals may be delayed for two inspectors.

## ***Information Access & Exchange***

### BIS Department

BIS coordinates data and information systems with the judicial system and the following City Departments: Minneapolis Police Department, Regulatory Services, and Public Works. On the State side, BIS partners with the Minnesota Supreme Court, Department of Public Safety, MnDOT, Department of Corrections, and the Bureau of Criminal Apprehension.

Through these partnerships, BIS manages important public safety functions, such as: Violations Bureau Electronic System (ViBES) for 4th District Courts; MN Courts Information System (MNCIS), MN Repository of Arrest Photos, Predatory Offender Registration, MN Criminal Background Check, License Plate Recognition, and the Automated Pawn System.

### City Attorney's Office

MCAO's criminal prosecution functions will be negatively impacted depending on functionality of state data systems, court funding, continuity of BCA crime lab activity, and the

like. MCAO depends upon the following State agencies for data links, technology, and information:

- Minnesota Court Information System (MNCIS) is a State system that has assumed what was previously a County function. Hennepin County is the provider of MNCIS for the MCAO. Odyssey Assistant provides operational support for MNCIS.
- Violations Bureau Electronics System (ViBES) is a system developed by Hennepin County in collaboration with Ramsey County to process parking, moving and criminal violations. This system is used by the MCAO to obtain case information on these offenses.
- CriMNet is a state-level program that works with Minnesota State and local agencies to make accurate and comprehensive criminal justice information available to criminal justice professionals in law enforcement, the courts and corrections.
- Minnesota Department of Corrections systems provide offender information.
- Minnesota Department of Driver and Vehicle Services systems provide driver's license and motor vehicle information to the MCAO.
- Minnesota Repository of Arrest Photos (MRAP) is a database of arrest and booking photos submitted from Minnesota law enforcement agencies that is a source of offender information to the MCAO.

Currently, our licensing and user agreements for CJIS programs (DVS and MRAP) fall under the MPD agreement with the State BCA. MNCIS user agreements are directly between the MCAO and the State.

#### City Clerk's Office

The City Clerk's Office is dependent upon the State's information and technology services, especially data links. The Office refers to the State's statutes, regulations, and Attorney General's opinions on a daily basis. If a State shutdown affected the State's online portal, the Clerk's Office would be significantly impacted.

#### Civil Rights

CRA uses information from Driver and Vehicle Services, which if closed may slow CRA investigations. CCU is using information from the business certification database that is maintained at MnDOT; there will be no updates to the data base and no certifications during this time. CIU talks occasionally with Minnesota's Human Rights Department but can continue its work without interruption. For the City, things may move slower, but there will not be any stoppages from lost resources or revenue.

#### Finance

Currently, the City has 552 open claims, of which 40 are in active litigation. The City has 30 workers compensation claims in litigation that would be paused during a shutdown.

During a partial shutdown, reimbursements from the State's Workers Compensation Special Compensation Fund would probably stop, but the City's obligation to pay would continue. The Self Insurance Fund will continue to pay its financial obligations regardless of SCF reimbursements.

#### Department of Health & Family Support

Primarily, this City department works with the Minnesota Department of Health (MDH).

#### MECC/911

The City primarily works with MnDOT for access to state and federal crime databases, 911 Program Administration, and AAMER Radio System.

#### Minneapolis Police Department

Minneapolis Police Department (MPD) primarily partners with the following agencies:

- MN Post Board: licensing peace officers
- Dept. of Public Safety: driver's license checks and electronic accident reports
- Department of Corrections: inmate databases
- Department of Commerce: auto theft
- Office of Homeland Security and Emergency Management
- Office of the Revisor of Statutes: statutes database
- MINCIS: court records
- MN Statewide Supervision System
- MnDOT: traffic cameras, State Patrol helicopter video, freeway cameras
- Bureau of Criminal Apprehension: predatory offender registration, MN Repository of Arrest Photos (MRAP), support desk
- MN State Court Violations Bureau.

MPD relies on these agencies for data links, in addition to using State applications for Automated Pawn and Workforce Director. MPD licenses its peace officers through the State Post Board, and Chief Dolan is working to make sure all officers have their licenses before a shutdown.

A shutdown without any core services continued would severely impact the Minneapolis Police Department (MPD). MPD coordinates its information and technology with several state and federal databases, including driver's licenses, criminal history, and warrant information.

### Property Services

The Radio Shop owns and maintains simulcast sub sites on the statewide ARMER Radio System. The City works with MnDOT Office of Electronic Communications and Department of Emergency Communications Networks (DECN). Those relationships are mostly procedural, but the City does rent tower space and pay utilities for one site to the State. The Radio Shop employees must be licensed by the State, but all of their licenses are up to date. The Radio Shop is not dependent on the State for any data links or State applications.

According to the court documents, the State is planning to cut all but one or two people in this Radio System and instruct them only to handle emergency issues. This means there will not be any preventive maintenance and system reports will be limited to only our site, unless we have access to MnDOT's master zone network management client to run those reports. In addition, a shutdown stops the Radio System build out throughout the state. If the build out falls behind far enough to the point that it cannot be completed under the current system operating platform, then it would force all users to upgrade to the next platform and have some level of infrastructure upgrade costs. The costs could range from nothing to millions of dollars depending on the operating platform to which we are forced to upgrade.

### Public Works

Public Works uses State databases for driver's license information, background checks and vehicle registration.

### Regulatory Services

Traffic Control relies heavily upon a variety of State-run databases mentioned in the BIS summary above. This will impact our ability to write citations.

## ***Partnership Dependency***

### BIS Department

BIS relies extensively on the State's data links and support staff. If their state contacts are deemed "non-essential" employees, several BIS projects would be negatively affected, including ViBES, MNCIS, CJDN, and E-Charging. In 2005, administrative support for IT services was considered a "core" government service.

### City Attorney's Office

The MCAO – State partnership is primarily manifested in information sharing as listed in the previous section.

### City Clerk's Office

The City Clerk's Office utilizes the Secretary of State's Office for helping redistricting and preparing for the 2012 elections. A short shutdown would have minimal impact on these preparations, but a long-term shutdown could interfere.

### Minneapolis Convention Center & Target Center

The City is dependent upon the State's electrical inspectors, especially on new construction projects. Without the electrical inspectors, \$6.0 million in construction projects would be on hold.

### CPED

CPED's partnership with the State is primarily financial, not procedural.

### Finance Department

The City's Finance Department works with the Department of Labor and Industry, Department of Commerce, MN OSHA, Department of Motor Vehicles, and DEED.

### Department of Health & Family Support

Primarily, this City department works with the Minnesota Department of Health (MDH).

### Human Resources Department

The Human Resources Department works with PERA and the Department of Public Safety to allocate benefits to retired City employees.

### MECC/911

In the event that the Court declared the State Patrol dispatchers and/or the U of M dispatchers to be "non-essential" employees, the City would step in and carry out those services.

### Minneapolis Police Department

MPD's partnership with the State is primarily in the form of information sharing and grants.

### Property Services

In the event of a shutdown, the ABC Ramps will continue to operate, but the City will only conduct limited maintenance. We will post-poner any major maintenance, requested, or optional projects such as painting and carpeting for now, although we will continue to make sure they're ready for implementation when the State is back in operation.

### Public Works

Minneapolis Public Works partners with MnDOT, DMV, State Patrol, Department of Administration, MPCA, Department of Natural Resources, Weight and Measures, Public Facilities Authority, and Department of Health.

These State departments assist the City with the following: design, review, and approval of project plans; inspection of heavy vehicles; approval of funding; permitting and licensing; driver's license background checks; vehicle registration; change order procedures; state oversight; reimbursement impacts; and regional solicitation schedule.

### Regulatory Services

Minneapolis coordinates with the Department of Health, the Court system, and Emergency Management. Also, the courts administer and process Traffic Control parking citation payments and appeals, both of which are in jeopardy during a shutdown. This will delay significant revenue in the General Fund.

The State controls permits and inspections related to electrical work. Without the electrical inspections provided by the state, all construction projects with electrical work would experience delays for as long as the shutdown. This would impact the completion date and occupancy of construction during and subsequent to the shutdown.

Minnesota Department of Health delegates its authority to the City of Minneapolis. City is charged with protecting the public health under Minnesota Statutes, Chapters 144, 157, and 327, has the duty to inspect, license, and regulate: food, beverage, and lodging establishments; public pools and related facilities.

Minnesota Department of Agriculture delegates its authority to the City of Minneapolis. City is charged with protecting the public health under Minnesota Statutes, section 28A.075 and 145A.03, has the duty to inspect, license, and regulate all grocery and convenience stores, vending machines and food establishments that are referenced in Minnesota Rule Chapter 4626.0020.

- Environmental Health Food Born Illness Investigations: City has a contract with Hennepin County to provide epidemiology investigation support. (C- 28672). City staff currently works with Hennepin County and MDH epidemiologists to investigate food and waterborne outbreaks within the City of Minneapolis. Hennepin County staff does an excellent job and they will continue to work with City of Minneapolis to conduct surveillance of state-mandated reportable diseases and outbreaks.
- Lead Poisoning: Minnesota Department of Health notifies the City of Minneapolis when an elevated blood lead level occurs in Minneapolis, inspections are mandated. Unsure at this time if monitoring of blood lead reports from laboratories will be deemed an essential function.
- Well Delegation Agreement: No changes for standard business practices, if there is a variance request the request would need to wait for State approval.