



**Request for City Council Committee Action  
From the Department of Regulatory Services**

**Date:** September 7, 2005

**To:** Council Member Niziolek  
Chair, Public Safety and Regulatory Services Committee

**From:** Henry Reimer, Director of Inspections Services

**Subject:** Amending Title 5, Chapters 91 and 99 of the Minneapolis Code of Ordinances relating to electrical inspections.

**Presenters in Committee:** Henry Reimer, Director of Inspections Services

**Approved by:** \_\_\_\_\_  
Rocco Forte, Director of Regulatory Services

**Financial Impact** (Check those that apply)

- No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):

## Supporting Information

Passage of the amendments presented would have the effect of shifting the electrical inspections function from the City to the State. This shift would take place automatically by operation of state law upon the repeal of the relevant portions of Chapters 99 and 91.

As we are continuing to reorganize Regulatory Services, we are looking at specific criteria to determine:

- Correct number of FTE's
- Correct skill sets for each FTE

As far as criteria, we are determining if the assigned duties for each FTE meet our core values.

We are also looking for duplication of effort – are there other City, County, State or Federal agencies that provide the same service?

As part of our business planning process, we are looking closely at other models for providing service for each division within Regulatory Services for efficiency and effectiveness.

At this point in time we have already:

- Changed job descriptions or transferred 30 FTE's within Regulatory Services
- Transferred 4 FTE's to BIS
- Transferred 4 FTE's to CPED/Zoning

In our 2006 budget request we recommended:

- Transfer 42 Traffic Control employees to the Police Department
- Transfer 4 FTE's to the 311 Call Center

The amendments under consideration would allow the State to pick up the electrical inspection functions. This follows the same logic we used in all the FTE changes just mentioned.

This is not the first time the possibility of transferring the electrical inspection functions to the State has been discussed. Management analysis and studies have been conducted by staff on this subject previously. In fact, it was a target strategy in the department's 2000 budget request.

The following factors may be useful in considering whether or not to pass the amendments and shift the electrical inspections function to the state:

**Pros**

- State electrical permit fees are lower than the City's.
- State electrical inspections are conducted within 48 hours and there is no backlog. The City has a backlog and response times vary and can take longer than a week.
- The PFM (Public Financial Management) study reveals that the City loses money on its electrical inspections program.
- Our contact with jurisdictions and contractors who use and work with the state electrical inspectors yielded few complaints about the state's electrical inspections process.
- State inspectors are paid by the job and are therefore efficient.
- State inspectors have incentives to do quality work because they are not compensated for return visits required after inadequate inspections. The State conducts spot checks of their inspectors' work to evaluate performance and ensure quality. Also, the most sought after and lucrative districts are given to inspectors who are regarded as being the most skillful and have the most experience, education and training.
- This may be the only option, other than deviating from the 2% wage cap, which ensures that electrical inspections will continue in the event of a strike. The alternative is a complete halt to development in the City awaiting settlement of a strike.

## **Cons**

- Transfer to state is regarded as a permanent measure – not temporary.
- The City's additional regulations such as those pertaining to electric service upgrades would not be enforceable. The state code would be enforced without regard to local additional requirements.
- Special events occasionally need electrical inspections conducted with very short advanced notice. We currently are able to accommodate these requests. The state inspectors may not be as responsive to these types of requests.
- Inspections among various disciplines may be more easily coordinated with all of them under the same management control. Coordination between the State and Inspections would be necessary.