

Government Management

The Minneapolis City Coordinator's Office provided information about its various functions and accomplishments.

The Minneapolis Finance Department provided the financial information in the Government Management section of this document.

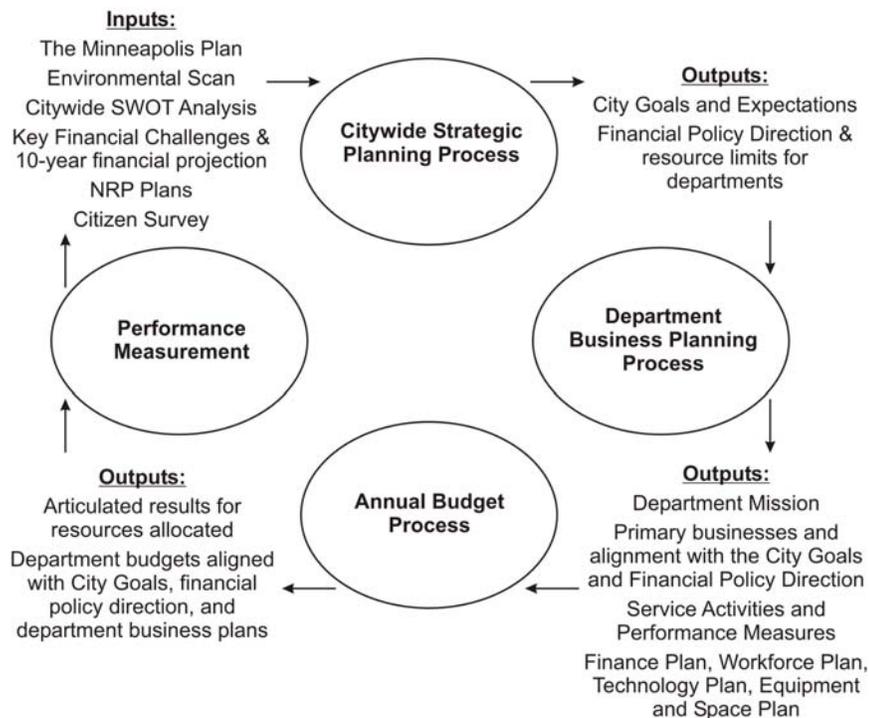
Data for the Tax Increment Finance District section was reviewed and updated by staff from the Finance Department.

Government Management

Policy Development and Implementation

To be effective and accountable, the City of Minneapolis worked as an enterprise with a shared vision and had management systems that supported the delivery of services to the citizens of Minneapolis. The City Coordinator acted as a policy advisor to the Mayor and City Council and ensured that project implementation was accountable and consistent with Mayor and Council direction. The City Coordinator's Office led this charge through the implementation of the City's core processes. The core processes of Minneapolis City Government convened the Mayor and City Council to fulfill their responsibility as the policy leaders for our City. The core processes also provided the City Department Heads the opportunity to align the service activities and performance measures of their departments with the goals and direction set by the Mayor and Council.

In 2002, the City's core processes were simplified and streamlined to improve the linkages between the strategic planning and financial planning/budgeting processes.



The City Coordinator supported the Mayor's Executive Committee in developing and strengthening mechanisms to assure the accountability of all charter department heads through business planning reviews and performance evaluations. Strong management support was crucial to the delivery of quality city services by helping departments manage and plan their budgets, develop a diverse and qualified workforce, inform and engage the community, and provide information and analysis for informed decision making.

The City Coordinator oversaw the following departments in 2003:

- Business Information Services
- Communications
- Finance
- Human Resources
- Intergovernmental Relations

- Operations & Regulatory Services (Licensing, Inspections, Convention Center)

Citywide Strategic Planning

In January 2003, the Mayor and the City Council adopted their City Goals and Expectations for the next four years and a resolution establishing a commitment to strategic business planning and providing a five-year financial direction to departments.

The 2003 City Goals were to:

1. Build communities where all people feel safe and trust the City's public safety professionals and systems;
2. Maintain the physical infrastructure to ensure a healthy, vital and safe City;
3. Deliver consistently high quality City services at a good value to our taxpayers;
4. Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets;
5. Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth;
6. Preserve and enhance our natural and historic environment and promote a clean, sustainable Minneapolis;
7. Promote public, community and private partnerships to address disparities and to support strong, healthy families and communities; and
8. Strengthen City government management and enhance community engagement.

Strategic planning was a process in which the organization set its long term future direction based upon the stated goals. The development of the Citywide strategic plan was intended to provide clear direction for departments' business planning efforts. Through the strategic planning process, departments were given direction as to City priorities and their projected level of financial resources over the next several years, and had the opportunity to structure their business plans accordingly. A department's business plan articulated the alignment of its services with the Citywide strategic plan.

Business Planning

Business planning was a process that provides both strategic and tactical direction to City departments. The business plans were mid-range plans (5-year planning horizon) that aligned department services with City strategic goals. A business plan addressed what the department did, what it was trying to achieve, who were its customers, how it utilized its resources to achieve its goals, and how to know when it was successful. In 2003, all departments worked to develop business plans. These plans will be reviewed by the Mayor and City Council beginning in 2004.

Performance Measurement

Performance Measurement was how we knew when we had done the appropriate things to achieve our goals and how we knew when we had done those things correctly. A successful performance measurement system can lead to continuous improvement of program performance, improved customer service, strengthened accountability, and empowered employees. Each department business plan includes performance measures to determine achievement toward City goals.

The Annual Budget Process

Minneapolis' annual budget process was the time when the Mayor and City Council articulated their priorities for the upcoming year by allocating City financial resources accordingly. As Minneapolis moved towards better integration of its key City processes, the annual budget process became more straightforward. During the strategic planning process, departments were given the projected level of financial resources to expect over the next several years – they then were able to develop their business plans in accordance with these projections. Resource allocations will flow from the business plans – departments' annual budgets then will flow from their longer-term financial plans.

Management Oversight

The City Coordinator oversaw the City's management departments, regulatory services, and the Minneapolis Convention Center to ensure excellence in service and public accountability. Also, effective January 1, 2004, the City Coordinator oversaw the Minneapolis Emergency Communications Center.

Central Library

2003 was another big year for the New Central Library Project. The demolition of the old library was completed and construction of the new building began. In April, the site plan was approved and in May 2003 the official groundbreaking was held. The design of the building was finalized in the summer, which included the capacity to accommodate a green roof and other sustainable features.

Six artists were selected to develop public art for both outside and inside the library; these preliminary designs were presented at a public event in November. Construction contracts were awarded for the building foundations, structure and enclosure. The foundation of the building was completed by the end of 2003.

Approximately \$7.0 million in campaign commitments were made toward the goal of \$15 million in private donations by 2006. The Minnesota Planetarium Society was formed to oversee development and management of a new Planetarium. The planetarium was incorporated in the schematic design for the library building and the City continued to seek State bonding money to support its construction as well as private donations for an endowment.

Business Information Services (BIS)

During the course of 2003 the City's Business Information Services (BIS) department successfully transitioned all of the City's information technology and associated support functions to Unisys, including the helpdesk. This move privatized the function of installing, supporting and maintaining information technology, which was essentially not a core City government function, and resulted in major improvements in service delivery and significant cost avoidance and operating cost savings.

In 2001 approximately 60%, or close to \$12 million per year, of the ITS operating budget was devoted to managing and maintaining the City's information technology, the "break and fix business." This included ITS' Information Technology Operations Division, Action Center (help desk) and the annual capital investment required to replace failing infrastructure and avoid technological obsolescence. ITS was providing 8X5 service, which was inadequate to support 24x7 Police, Fire, Public Works business requirements. Adding 24X7 support would have involved a 40% increase in ITS annual operating costs. In addition there was a \$3 million annual capital investment required to maintain information technology infrastructure across the City. It became apparent that owning, installing and maintaining information technology assets could no longer be considered a "core business function" of the City. As a result, the Mayor and City Council approved a program in 2002 to pursue the outsourcing of ITS Technology Operations.

In January 2003 the City entered into a seven year, \$56 million contract that transferred the ownership, support and maintenance of the City's information technology infrastructure to Unisys Corporation. The Unisys Managed Services program will save the City \$20 million over the life of the contract while dramatically improving the quality of information services to City employees, policy makers and the public. The transition of the City's technology infrastructure and support services to Unisys, which normally take 18-24 months, was completed in 10 months, which had an immediate impact by reducing Business Information Services operating cost, minimizing capital investment and improving service delivery.

The City has also avoided the significant capital outlay and operational cost associated with five major projects required to prevent further deterioration of the information technology infrastructure and improve the cost effectiveness of information services. These five projects were to:

- Deploy global upgrades of the Microsoft core operating software including Windows Data Center, Windows XP and Office 2000;
- Implement an alternate data center and disaster recovery facilities;
- Migrate Public Works information technology infrastructure into the enterprise;
- Relocate the City's data center at the end of the space lease with Hennepin County;
- Replace desktop computer equipment that had reached obsolescence.

Minneapolis neighborhoods have lost hundreds of affordable housing units to deterioration and abandonment. The City's Business Information Services department in collaboration with the Neighborhood Revitalization Program (NRP), 12 Minneapolis neighborhood organizations and the Center for Urban and Regional Affairs at the University of Minnesota (CURA) launched the *Minneapolis Neighborhood Information System (MNIS)* in response to this challenge. The Minneapolis Neighborhood Information System (MNIS) was an integrated property database system with an analytical component for use by neighborhood organizations to identify residential properties at risk for housing deterioration and abandonment. The database contained information from the City of Minneapolis and Hennepin County that was used in conjunction with a Geographic Information System (GIS) to evaluate key indicators of potential housing problems. Prior to the MNIS program, neighborhood organizations were not aware of housing problems until they became severe. The MNIS program interrupted the cycle of decline by bringing early awareness of housing status to the neighborhood organizations. Early intervention was much more cost effective than responding after a house has been condemned, foreclosed or forfeited.

The Department of Public Works, Solid Waste and Recycling (SWR) Division was responsible for garbage, recycling, problem materials and yard waste collection in the City of Minneapolis. In order to comply with Federal, State, County and City regulations, and to meet the Clean City and customer service missions of the Division, the collection system in Minneapolis was rather complicated. The Public Works, Solid Waste and Recycling Division managed its entire operation using a state-of-the-art *Solid Waste Information System*. This was leading edge, next generation business application software that handled tagging, work orders, vouchers, and other core business operations. The SWIS business application dramatically improved productivity, accommodated recycling day information for customers on the City's Web site and facilitated information sharing across the Enterprise to assist in interdepartmental Clean City initiatives. The SWIS was a collaborative business application development project between BIS and Solid Waste and Recycling. SWR Division staff and BIS re-engineered business processes to ensure that the new Solid Waste Information System was fully compliant with the City's Enterprise information technology standards and exceeded the high reliability demands of a 24X7 operation.

The Mobile Command Vehicles deployed by the Minneapolis Police and Fire Departments in 2003 were equipped with state-of-the-art information technology that enhanced the situational awareness of the first responders. The BIS-Unisys Managed Services team provided systems integration support on several levels including advanced satellite/wireless internet connectivity, on-board Geographic Information System (GIS) access to maps, aerial photos, crime data and property information and leading edge mobile computing facilities.

New information resources were added to the City's web site in 2003. The City Council Date book presented council and committee meeting schedules in a flexible, easy-to-navigate calendar format. An interactive downtown road map showed commuters and visitors which roads, lanes, sidewalks and bicycle paths are open and available for traffic. Zoning district maps and the zoning code came

online to make it easier for homeowners and land developers to find and understand zoning regulations for their properties.

The City also made solid progress toward a technical infrastructure for providing transactional services on line. The Minneapolis Neighborhood Information System provides important data about land use and housing to neighborhood groups working on the frontlines to make Minneapolis a better place to live. Police E-Report lets crime victims report certain types of incidents on line. Both projects produced reusable solutions that will help make it faster and easier to deliver similar services in the future.

Planning and design for electronic permitting and a new on-line payment service got underway during the fall. These new services are targeted for release in spring 2004.

The One Stop Development Review Center is a critical, enterprise project to integrate people, processes and technology across various city departments (Regulatory Services, Community Planning and Economic Development, Public Works, Fire, Assessors, Police, and City Clerk's office). This is the first true enterprise project that the City has undertaken and team members are developing modern business processes using the City of Phoenix as a model. In 2004, you will see an improvement in the following areas of customer service: Improved application assistance so that customers can know where to go, what they need to provide and how long the process may take; and new ways to obtain information and conduct business with the City of Minneapolis (ePermits, strategic use of Interactive Voice Response technology, automated workflow).

Cities across the nation recognized the need to develop consistency, inter-department coordination and accountability when responding to citizens' requests for services. Furthermore, many cities were relieving 911 services of non-emergency calls to increase communications capacity to manage the demands of emergency situations. Minneapolis adopted this same successful model assuming it can be implemented in a cost-effective manner; the work started in 2003 will continue in 2004 with a rollout of a Citizen Relationship Management & Work Order Management to pilot departments. A Citizen Relationship Management tool aims for the following results:

- Streamline services and track public demands for service.
- Increase department efficiency and accountability.
- Improve workload tracking, evaluation and reporting.
- Provide senior management with consistent, complete, and accurate data for planning, decision making and prioritization of City efforts.

A CRM tool provides elected officials, department heads and employees a system to monitor a service request through its lifecycle and across departments. The system will allow the City to "close the loop" with citizens through the measurement of customer needs and satisfaction levels. A 311 system would focus on providing citizens one point of contact for all non-emergency services.

Other BIS improvements included the enterprise financial system of the City was upgraded to FISCOL 2.2. This includes the required accounting changes for GASB 34. Also upgraded was the BRASS budgeting subsystem. For the enterprise Human Resources system, remote boards and agencies were provided with the ability to print their own payroll registers, use a new interface to report information for unemployment claims and employment verifications, and utilize the information from the implementation of seven tax updates and provide substantial assistance during open enrollment for new health plans. For the Public Safety systems, work began on a project to enable the police system to support the requirements of the National Incident-Based Reporting System (NIBRS). Implementation is scheduled for the second quarter of 2004. A new application for inventory management in the Police Department was completed. Police inventory includes items such as mobile radios, handcuffs, badges and handguns. Work started on an upgrade to the Police

Timekeeping system, which is supported by a \$1.8 million federal grant. Implementation is scheduled for the third quarter of 2004. The City worked with Hennepin County on integration between two of their public safety systems; rollout is scheduled for early 2004.

The Convention Center implemented a digital time clock and time tracking software. It also coordinated the installation of facility maintenance that will allow the center's maintenance needs to be tracked and managed. The Emergency Communication Center implemented multiple fire dispatch response plans. In addition, large numbers of mobile data terminal devices were migrated to mobile data computer laptops in the Police Department.

Communications

The job of the Communications Department was to help other City departments and agencies identify what information and messages needed to be conveyed to Minneapolis' diverse audiences and to ensure that this was done in the most effective manner possible. It was also the job of the department to find opportunities to promote the City – its theaters, arts, restaurants, colleges, hospitals, parks – and the successes of city government.

In 2003, the Communications Department improved outreach efforts to special populations, including English as second language communities. It promptly and accurately accommodated media inquiries, and worked to improve the effectiveness of publications, while cutting costs. In addition, the Communications Director and department staff began work to centralize communications staff and resources from throughout the City, with a goal of promoting a consistent Minneapolis message and being more cost effective. Highlights of the year included the following activities or areas of support:

- Public Works Department Snow Emergency communications;
- Outreach and media events designed to showcase the City's diversity;
- Ongoing communications regarding the City's reform efforts;
- Communications initiatives with City employees including regarding major changes to employee health care plans;
- Improvements to the City's Web site, including headlines on the front page updated daily.

Finance

The mission of the Finance Department was to provide financial services that assisted customers in making sound and informed decisions and ensure the City's financial integrity. Finance business lines were financial operations and decision support for managers and policy makers. These two lines of business were carried out through Finance's six divisions.

Management and Budget

The Management and Budget Division provided staff support necessary to allow City officials to make the best decisions regarding tax, user fee policy, and expenditures. This included development of procedures and deadlines, accurate and relevant data and clear written and oral communications. This division also coordinated and managed citywide business planning, the Mayor and City Council's strategic planning work, and annual budget decisions of the Mayor and City Council.

Many significant organizational and financial changes occurred in 2003. The State of Minnesota cut aid to Minneapolis by \$35 million on an annual basis. This significant cut ended up being \$1.8 million greater than what the City was expected to receive, based on final figures used during the conclusion of the legislative session. The City responded to this significant revenue cut by reducing spending early in 2003, including reductions in staffing and services. The annualized impact of the decisions made in 2003 plus the offsetting increases in other revenue resulted in departments not

needing to make additional cuts in 2004. However, the reduced service levels as a result of LGA cuts remain in effect.

Other accomplishments in 2003 included:

- Council approved long term funding plans for NRP and Target Center;
- All city departments substantially completed draft business plans;
- Maintained credit ratings in the face of extraordinary financial challenges;
- Received the Government Finance Officers Association's Distinguished Budget Presentation Award - the second consecutive year since 1986 that the City has received this award. The award signifies that the City's budget report meets best practices standards set by the GFOA.

Controller

The Controller's Division conducted all accounting operations of the City, provided financial reports to managers and policy makers throughout the year, supported the annual budget preparation process, and provided financial analysis to departments.

The primary initiative of this Division in 2003 was the implementation of GASB 34, the most wide-ranging changes to municipal accounting in more than 50 years. Significant resources (money and personnel) were devoted to this effort. The City met this initiative and completed GASB 34 compliance with the CAFR for 2002, which was submitted in May 2003. The City received the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting for 2003.

Other accomplishments in 2003 included:

- Publication of monthly and quarterly financial reports;
- Reduction of audit exceptions notes in the State Auditor's management letter;
- Council adopted a self-insurance fund work out plan;
- Development and adoption of a new travel policy, t-card, e-pay for expense reimbursement to reduce manual payments;
- Created CPED transition, liabilities and funds to City.

Treasury

The Treasury Division was responsible for managing the cash resources of the City including utility billing, accounts receivables management, and investments. The Division converted receivables to cash and cash to investments in the most efficient and practical methods available. Increasingly, these improved methods were faster and used less paper by employing electronic means that were more secure and less error prone.

In 2003 Treasury proposed an e-pay plan for City Council review to assist the One Stop Permitting project in hopes of receiving approval in early 2004. The One Stop Permitting project was ranked as the top priority project by the City's Technology Steering Committee and will integrate and streamline development application, review, permitting and licensing, and inspection activities within the City. In addition, the e-pay initiative will establish an enterprise wide standard for use and acceptance of online payment City-wide. During 2004 and beyond, the e-pay initiative will enable other City departments, Library and the Park Board the ability to establish an on-line payment presence to expedite their payment processing.

Procurement

The Procurement Division provided procurement and contract management services for City departments, boards and related agencies. Contract management training was initiated and will continue. The City of Minneapolis had a formal bidding process for purchases exceeding \$50,000

and a formal Request for Proposals (RFP) process for procuring professional services exceeding \$50,000. In 2002, 370 bids and 24 Request for Proposals went through the formal processes.

During 2003, Procurement established performance indicators and benchmarks for “green” office supplies, paper and cleaning products, as chair of the Green Purchasing Committee in conjunction with the Environmental Coordinating Team. The Division also worked with the Central Library project as part of the project steering committee to develop and complete bid packages for the initial demolition and site excavation.

Risk Management & Claims

This Division defined a Loss Prevention Strategy Program citywide that will impacted losses and changed behavioral practices within departments from the top of management to front line employees. The division supported the Health Care Labor-Management Subcommittee on the development of a health insurance benefit redesign for the City and the development of a Voluntary Employer Benefit Account as a potential incentive for labor and financial needs. This effort included working with HR and other Finance Divisions to migrate the new health care selections and VEBA options. Also completed was a cost comparison study on providers and associated medical fees for employment services and defined a policy and process via committee review and appeals on the issue of Post-Employment Health Care Claims submitted by MPD and MFD disabled employees. The City also continued to play a leadership role at the Light Rail Transit Risk Management Advisory Team for the State.

Development Finance

The Development Finance Division was established in 2003 to support the financial management and certain contract administrative needs of the new Community Planning and Economic Development (CPED) Department. Nearly all of the Division’s employees were transferred from the Minneapolis Community Development Agency (MCDA). The division provided accounting, payroll, budgeting, project financial analysis, tax increment district planning, and contract administration support to CPED.

Human Resources

The mission of the Human Resources Department (HR) was to strategically partner with City departments to hire, develop and retain an excellent workforce. There were five primary businesses that crossed all three HR Divisions:

- Ensure employees have competitive compensation and positive working conditions while minimizing the City’s exposure to liability;
- Manage and provide HR information to City, Independent Boards and Agencies for decision-making purposes;
- Provide learning opportunities for managers, supervisors and employees to maximize their development and minimize organizational risk;
- Assist departments in designing and developing their organization;
- Provide the City, Park & Library Boards with the timely opportunity to hire diverse, competent employees.

Accomplishments from 2003 included:

- Reduction in Force: The staff of the HR department successfully managed the citywide reduction of our workforce (as directed in the 5-year Financial Direction and LGA cuts):
 - Negotiated significant changes to the Job Bank Program, reducing it from 120 to 60 days during the normal budget cycle, and to 30 days during unplanned, mid-year budget reductions;

- Verified and electronically recorded employment records for over 3,000 employees to ensure accuracy of the seniority system for current and future use;
- Successfully managed over 160 employees who were placed in the Job Bank Program throughout the year. Overall, 82 employees were ultimately laid off, with 10 taking a voluntary layoff. By the end of the year, 52 employees had been recalled from layoff;
- Provided critical workforce analysis and information to the organization for decision-making and reporting purposes;
- Provided Job Bank employment transition, dealing with change, and career development workshops to employees affected by the midyear layoffs;
- Changed Healthcare Insurance in collaboration with the Healthcare Labor Management Committee, by successfully redesigned the health care funding and delivery system in the City and the Independent Boards and Agencies.
 - The restructured system avoided a 2004 expenditure in excess of \$8 million;
 - The City used a portion of the avoided expenditure, \$3.8 million, to move toward a consumer driven health care structure;
 - The City successfully negotiated and implemented Voluntary Employer Benefit Accounts (VEBA) to assist employees in managing anticipated expenses associated with the change;
 - The restructured system stabilized health care funding and delivery for the next three years;
 - Successfully negotiated and added Health Care Savings Accounts to assist employees in managing post employment health care expenses;
 - HR conducted 59 employee training sessions on the new health plans and benefits, attended by almost 2,400 employees, and created and staffed an employee Phone Bank, which responded to over 1,800 employee inquiries;
 - Of the over 5,200 employees who went through Open Enrollment, 72% accessed Self Service online to make their own health care choices;
- Sponsored or attended over 30 different community events and job fairs:
 - This was a decrease from 2002 because of budget reductions and the hiring freeze in place most of the year. Active participation in the community contributed to the creation of more diverse applicant pools for hiring managers to consider for job vacancies.
 - In 2003, females made up 33% of the applicant pool (45% of eligible lists). Of new hires, 46% were female. People of color made up 36% of the applicant pool (36% of eligible lists). Of new hires, 27% were people of color. Today, 31% of our full-time regular employees are women, and 20% are people of color. This reflected a 4% increase in people of color since 1997, and a 3% increase in women;
- Managers continued to express satisfaction with support received from HR Generalists. On a survey sent to operating department managers, as a group the HRGs received an overall average score of 4.4 on a 5.0 scale. The survey measured the HRG's credibility, customer service, leadership, diagnostic insight and versatility;
- Successfully negotiated eight collective bargaining agreements: one a market-adjusted settlement with the Police Federation that anticipated placing them in approximately the top 1/3 of the greater metro area relative to compensation; and the other seven being within the 2% compensation cap established by elected officials;
- Implemented e-learning giving all City employees the opportunity to access training on computer and soft skills from any location, at any time;
- Delivered critical City of Minneapolis policy training such as preventing harassment, drug and alcohol, ethics, and ADA;
- Increased the number of management development offerings by providing a manager conference in the spring and a supervisor conference in the fall reaching over 50% of all managers and supervisors.

Intergovernmental Relations (IGR)

The Intergovernmental Relations Office and the Office of Grants and Special Projects served as valuable and essential resources for the City in its policy development, priority setting, issue management, grant seeking, and governmental relations initiatives. The Intergovernmental Relations Office effectively represented the City's policies and priorities at the international, Federal, State, and regional levels, as well as non-governmental partnerships. The primary business of Intergovernmental Relations (IGR) was to retain and defend local government authority and service needs by developing the City's strategic IGR policy position and advocating for that policy. The IGR Office provided services by:

- Legislative Analysis - identifying issues and political concerns needing review and decision by the Mayor, City Council, and department heads;
- Policy Development - establishing work teams and incorporate team research results into legislative package, developing a unique action plan for each item;
- Information Delivery - advocated a clear message of policy position and the service needs of Minneapolis to Federal, State, and regional governments;
- Representation - IGR represented the City on numerous boards, task forces, and affinity organizations charged with designing public policy.

Three major city issues during the 2003 State Legislative Session were:

- Local government finances - in light of the state budget shortfall;
- Minneapolis – accountability and results;
- Transportation – including operational funding for the Hiawatha Light Rail Transit.

Federal Legislative Package. The city formally defined federal legislative package. IGR staff, in consultation with the City's lobbyist, refined the Federal legislative agenda for the 2004 Congressional Session.

Office of Grants and Special Projects

In 2003, the Office of Grants and Special Projects continued to provide support for those City departments and community-based agencies searching for grant funding. To expand this support, a section about fundraising was added to the web site. The Grant Users' Groups continued including a session about the Strategic Partnerships being developed by the Department of Community Planning and Economic Development. Of the total grant funds applied for by City departments, 70% were funded.

Operations and Regulatory Services

The Department of Operations and Regulatory Services was a part of the Office of the City Coordinator that provided direct services to customers, including residents, businesses and visitors. The department consisted of two major functions: Operations and Regulatory Services.

Operations

The Minneapolis Convention Center & Greater Minneapolis Convention and Visitors Association was one of the primary economic engines driving the success and vitality of downtown Minneapolis, the metro region and Minnesota. The convention and visitor business was very big business for the City and State, with hundreds of hotels, restaurants, entertainment venues and attendant facilities. The hospitality industry employed tens of thousands and generates significant revenue for City and State programs and services.

In 2003, the Minneapolis Convention Center:

- Developed a five year business plan and ongoing review process as part of a citywide initiative. This business plan will guide the decision making process for the facility while providing performance measurements to gauge success in meeting the mission of the facility;
- Welcomed a major addition to the artistic landscape of the City of Minneapolis with the completion of the American Express “Seasons of the City” mural by contemporary artist Anthony Whelihan. This mural occupied the Third Avenue Art Wall on the northwest corner of the Minneapolis Convention Center and paid homage to a variety of local landmarks and treasures which gave Minneapolis its unique character.

Regulatory Services

Regulatory Services consisted of two divisions: Licenses and Consumer Services, and Inspections. The activities of these divisions protected and enhanced the livability of the City’s neighborhoods. In 2003, Regulatory Services was responsible for tens of thousands of code compliance inspections involving a wide range of activities including business operations, single and multifamily housing, building construction, food safety and the environment. Regulatory Services functions were divided into five major business service areas: Development Review Services, Construction Inspection Services, Housing Inspection Services, Business Services and Environmental Services.

Development Review Services

Development Review Services consisted of permit Issuance, zoning inspections and plan review functions. Activities in 2003 included:

- Reviewed plans and issued permits for 1,243 new dwelling units:
 - 202 single family homes;
 - 166 duplex/double bungalows/townhouses;
 - 745 apartments/condo units;
 - 130 units apartment/new condo conversions;
- Issued permits for \$922 million dollars of construction and remodeling work;
- Issued building permits for the new Guthrie on the River, Walker Art Center Expansion, Minneapolis Institute of Art expansion and the new Central Library;
- Conducted annual compliance inspections of 153 site plans approved by the City Planning Commission; private investment in 2003 approved site plan improvements was estimated at \$2.158 million.

Housing Inspection Services

Housing Inspection Services consisted of housing inspection, rental licensing, and hazardous/boarded buildings programs. In 2003 this unit:

- Generated 49,822 housing cases for interior, exterior violations on residential properties and nuisance type violation; a total number of 119,757 inspections were completed in 2003, including 69,935 re-inspections;
- Proactively generated 23,611 nuisance condition cases; received only 3,917 customer service requests to resolve nuisance cases;
- Implemented an inspection fee for inoperable vehicle towing from residential lots; cost recovery for this activity totaled approximately \$42,825;
- Reduced the number of vacant/boarded building registrations from 245 to 208;
- Reduced Chapter 249 boarded buildings from 150 to 119, a 17-year low for Minneapolis;
- Presented two boarded building cases to City Council for Chapter 249 nuisance abatement (one was demolished and one was rehabbed);
- Started a program to expedite code compliance on rental properties and increase sanctions for non-compliance.
- The City Attorney and Inspections brought Tenant Remedy filings to preserve the housing stock and prevent possible condemnations of these structures;

- Implemented a re-inspection fee program providing an incentive for owners to comply with housing code violations within a reasonable timeframe and save resources by eliminating unnecessary inspections.
- Re-inspections were reduced in 2003 by 15% (12,563 fewer re-inspections) due largely to the implementation of these fees;
- Renewed approximately 16,225 licenses for rental properties;
- In late December 2003, some Housing Inspection Services activities were transferred to the Fire Department to allow for a better utilization of available resource hours.
- The Fire Department augmented inspections activities with a goal to inspect all rental units in a five-year cycle starting in 2004;
- Housing Inspection Services maintained nuisance type violations on most lots throughout the City of Minneapolis and one to three unit rental buildings. The Fire Department was responsible for four or more unit rental buildings, lodging facilities, mixed use commercial/residential and owner-occupied single family properties;
- Administrative Adjudication for Housing Code Violations was developed in late 2003, with an implementation date of February, 2004. The use of administrative citations will assist in the alleviation of several types of nuisance conditions and blight, prevent the deterioration of the housing stock, and assist in providing safer dwelling units.

Business Services

A top priority of this division is to resolve complaints and livability issues involving businesses. Some of the common issues resolved in cooperation with the Minneapolis Police Department were excess litter and building appearance, loitering, safety or health violations present at business, operating after legal hours, unlicensed businesses operating illegally, residential motor vehicle repair garages, and criminal related activity on business property in conjunction.

- In 2003 License Inspectors took 3,057 service actions, which included 1,616 on-site inspections to resolve business problems and livability issues;
- As of December 31, 2003, 736 business problems have been resolved successfully (91%);
- In 2003, License Inspectors issued 222 Administrative Citations for a total of \$55,710, resulting in a reduction of time consuming Business License Hearings and expensive Administrative Law Judge Hearings while still resolving the problems at businesses in a timely and efficient manner;
- Since two taxi driver homicides of the summer of 2003, substantial efforts were taken to increase taxi safety, including:
 - The Mayor, Police, and the Licensing division met with the taxi driver community three times to discuss their concerns.
 - A taxi safety committee was formed and met another three times in preparing recommendations to the City Council. The prime areas of interest currently include surveillance cameras within taxicabs, computerized dispatch systems complete with Global Positioning Systems (GPS) to identify taxi locations at any given time, and ways to increase the taxi/police communications and relationships;
 - The City experienced a steady increase in burglar alarm systems in the past five years. Minneapolis responded to 10% increase in alarms since 1998. The Minneapolis Police estimated that they used a total of 8 full time staff responding to false alarms in 2003. In an effort to reduce the negative impact of false burglary alarms the ordinance was revised in 2003 to:
 - reduce the number of free false alarms from three to two;
 - increase the fines for false alarms to \$200 on the third alarm to reflect the true cost of responding to alarms;

- allow the City to suspend service after the fifth alarm or if payment of fines are 90 days past due. Chronic problem alarms were decreased by 59% and it is anticipated that a similar decrease will occur in 2004 furthering the reduction of unnecessary police responses;
- A State Law was passed by the State Legislature with an effective date of July 1, 2003 regarding 2:00 a.m. closing times for liquor, wine and beer establishments. By the end of 2003, 208 Minneapolis liquor, wine and beer establishments have been certified to the State for 2:00 a.m. licensing;
- There are now 342 liquor licenses on the books, up from 265, with most of the increase coming in 2003;
- The Block E development was approved for eight new liquor and entertainment licenses.

Environmental Services

Environmental Services consists of Animal Care & Control, Food Safety & Environmental Health, Environmental Management. In 2003, the Environmental Services division participated in the following:

- Initiated the development of a Sustainability Plan through the City's Environmental Coordinating Team (ECT), including indicators or performance measures for air, water and land.
- Implemented the Green City Initiative through the ECT to encourage green government practices in the areas of purchasing, fleets, buildings, transportation, energy, and neighborhoods.
- Successfully pursued conversion of the XCEL Riverside plant from coal to gas, advocated for changes in state air quality risk analysis that would better protect neighborhoods from industrial pollution.
- Implemented the new Combined Sewer Overflow program (completing 15, 000 inspections), staffed the Mississippi Watershed Management Organization and implemented the Ground Work Program.
- Created Water Quality Monitoring Task Force, participated in planning for a new Source Water Protection Plan to protect drinking water.
- Implemented the new Business Plan for Food Safety & Environmental Health including new geographic service areas (North, Downtown and South).
- Cooperated with HUD and Hennepin County to significantly increase funding for childhood lead poisoning.
- Forged new working relationship with EPA Region 5 as part of region's Great Cities Initiative, including \$100,000.00 for trees in the city.
- Devoted staff resources to Environmental Justice Advocates of Minnesota.
- Planned for the construction of the new Animal Care & Control Center in 2004.

Animal Care & Control

Capping more than a decade of work, in 2003 the City began construction of its new Animal Care and Control Center. The new Center was designed based upon the State of Minnesota Sustainable Design Guidelines. It was a "smart" building that exceeded the State energy code by more than 25% and was enrolled in the Xcel Energy Design Assistance Program for energy efficient design incentives. It was also first large-scale project to use pervious pavers in the parking lot to ensure storm water quality and management.

Notably, the Center became more than twice the size of the existing animal shelter, but was been designed to be operated with the same number of staff. Efficiencies stemmed from the design of canine runs using overhead mechanized dividers and a power sprayer system. Additional improvements included the design of an air exchange system that optimized the drying time of disinfected areas. As a result of the Center's design to effectively control infectious disease among

cats as well as dogs, for the first time it was possible for the Animal Care and Control Program to transfer animals to the Animal Humane Society for adoption. This extended the practice of partnering with animal organizations to place as many animals as possible in new and responsible homes.

The new Animal Care and Control Center also was designed for the efficient delivery of quality public service. The service area of the facility included three work stations for public contact including pet licenses, off leash area permits and pet recovery and adoption. There was also a meeting room for administrative hearings concerning dangerous dog declarations as well as staff and community meetings.

The new facility will be completed in Spring 2004.

Construction Inspections Services

Construction Inspection Services consisting of Building and Trades Inspections, Truth in Sale of Housing and Occupancy Certification). Construction Inspections Services performed inspections of the built environment for repairs, remodeling and new construction to assure compliance with the State Building Code. This division also administered Truth in Sale of Housing, Code Compliance on condemned buildings, Emergency Demolitions, Fire Escrow and Certificates of Occupancy.

Construction Inspections

Cross-disciplined teams were organized and supervised in geographic service delivery districts aligned with the City's Police precincts to provide better customer service, coordinated inspections and more timely response to requests. In addition, a dedicated customer service telephone line was installed with an expanded CIS public web site. CIS performed over 72,000 inspections of alterations, remodeling and new construction and coordinated the issuance of 482 Certificates of Occupancy authorizing safe occupancy of hundreds of residential units.

Truth In Sale of Housing - Utilizing the new TISH ordinance, the closing process was streamlined while CIS resources were focused on the required repairs of critical building system hazards. In 2003 the division reviewed and processed 7,700 property evaluations, an 11% increase over 2002, and collected over \$160,000 in associated fees. In addition, it issued 5,382 Certificates of Approval for successful closings, and assured proper installation of smoke detectors, and the elimination of plumbing, mechanical and electrical hazards.

Code Compliance - Conducted over 100 inspections of condemned properties and issued correction orders to assure code compliance. Issued 75 Code Compliance Certificates approving the safe reuse of previously condemned buildings.

Emergency Demolitions - Safely removed, without damage to property or injury to the public, several buildings that were a threat for collapse and assessed the costs to the property owners.

Fire Escrow - Utilized fire escrow insurance funds based on State legislation to remove two buildings severely damaged by fire at no cost to the city and its taxpayers. Also processed over 100 fire escrow requests and successfully closed 18 escrow accounts ensuring fire repairs were completed to code using appropriate insurance funds.