

## REGULATORY SERVICES

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### **MISSION**

Working to ensure the safety, health, and livability of the community through information, education, regulation, and enforcement of applicable laws and regulations.

### **BUSINESS LINES**

#### **Inspections Services**

This business line deals with structure planning and implementation and consists of the following service activities:

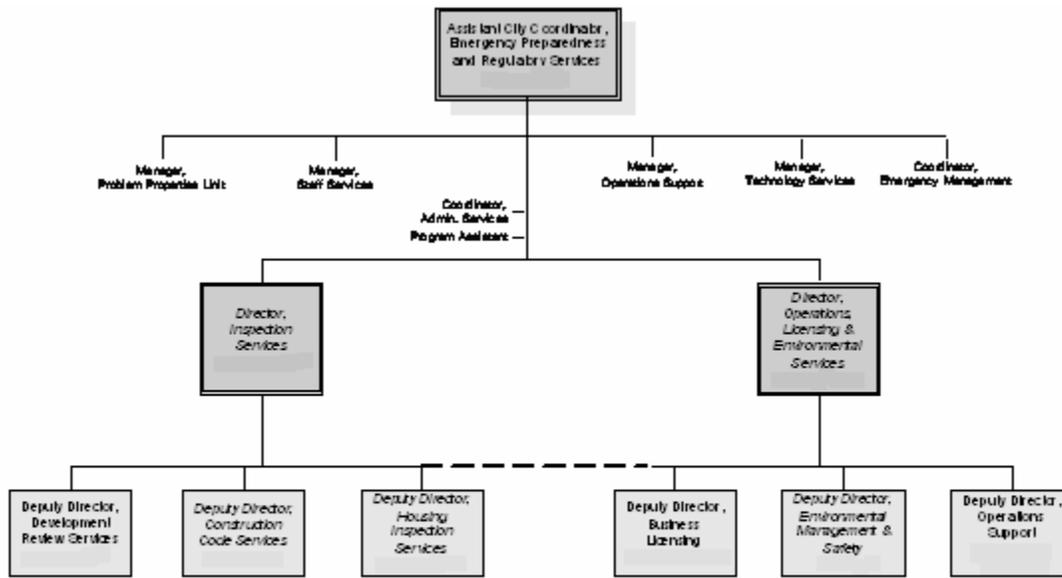
- **Development review services:** Providing efficient ways for the public to work with the City to get development or building applications and reviews, permitting, licensing, zoning, and inspections services in one location—in person and on the internet.
- **Construction code services:** Providing quality plan review and construction inspection services to citizens, businesses, developers, contractors, and design professionals.
- **Housing inspection services:** Providing quality education and consistent enforcement of the housing maintenance and other applicable codes to maintain, improve, and protect the housing stock and the livability of the City's housing. The problem properties unit provides a multi-departmental, multi-agency initiative to reduce the number and severity of problem properties in the City.

#### **Operations, licensing, and environmental services**

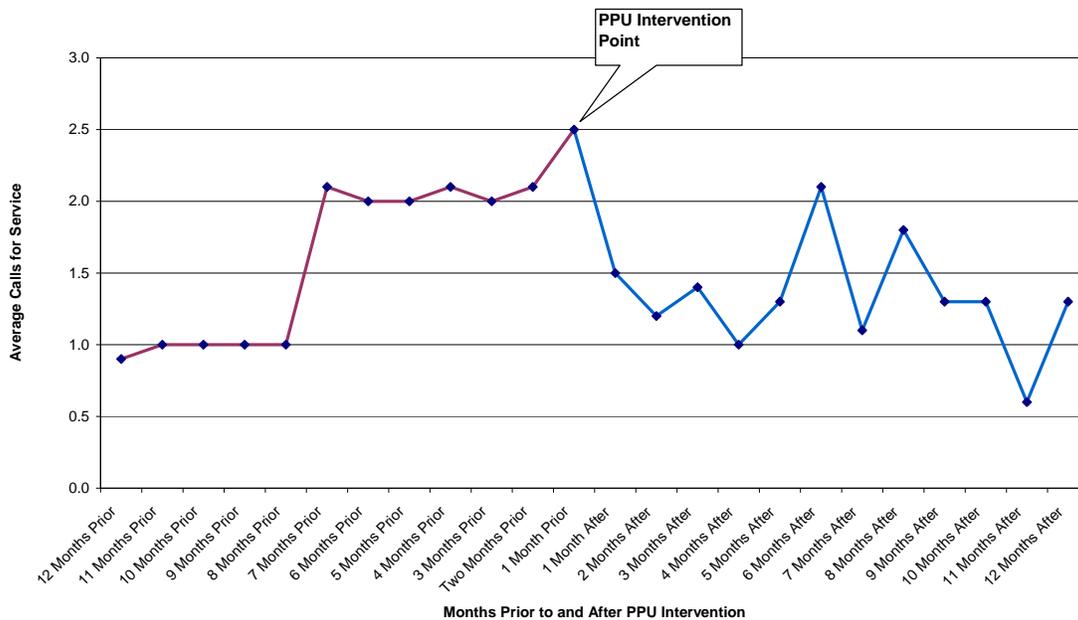
This business line deals with services, behaviors and activities, and consists of the following service activities:

- **Business licensing services:** Providing education and enforcement of the City's codes related to business licensing, including food, liquor, construction trades, taxi cabs and general licenses.
- **Environmental management & safety:** Providing education and enforcement of the City's codes related to animal control, safe food, air and water quality, and a clean, healthy outdoor environment.
- **Operations support:** Coordinates and provides those services that are used across the Department to assist the other divisions in providing quality core services.

# ORGANIZATION CHART



**Regulatory Services Problem Properties Unit  
Trend In CFS 12 Months Prior to PPU Intervention Through 12 Months After PPU  
August 31, 2007**



**FIVE-YEAR DEPARTMENTAL GOALS, OBJECTIVES, AND PERFORMANCE MEASURES  
(ALIGNED WITH CITY GOALS AND STRATEGIC DIRECTIONS)**

<b>City Goals &amp; Strategies</b>	<b>Department Goal</b>	<b>Objective</b>	<b>Measure</b>
<b>Connected communities:</b> C. Development services  <b>Lifelong learning:</b> B. Economic engine  <b>One Minneapolis:</b> C. Equitable City Services  <b>A premier destination:</b> B. Reposition City	Customer-focused services	Effective, efficient development review	<ul style="list-style-type: none"> <li>• % increase in customer satisfaction as measured by a customer satisfaction survey</li> </ul>
		Partner with Minneapolis 311 to provide more efficient call response to customers	<ul style="list-style-type: none"> <li>• % of requests coming through 311 that meet timeframes of SLA's</li> </ul>
		Standardize community engagement efforts to City model	<ul style="list-style-type: none"> <li>• Develop community engagement program for Housing inspection team</li> </ul>
<b>A premier destination:</b> B. Reposition City  <b>Connected communities:</b> C. Development services  One Minneapolis: C. Equitable City services	Efficient, effective delivery of services	Establish staffing models for service (internal department focus)	<ul style="list-style-type: none"> <li>• % of divisions with effective and efficient staffing model implemented based on baseline model for service delivery</li> </ul>
		Maximize use of technology (internal department focus)	<ul style="list-style-type: none"> <li>• % of permits processed via the web (MDR)</li> <li>• % of complete permit applications processed within 2 business days (MDR)</li> </ul>
		Streamline regulatory processes & regulatory requirements in Code of Ordinances	<ul style="list-style-type: none"> <li>• Number of City Ordinances reviewed and updated</li> </ul>
		Hire to meet multi-lingual needs (LEP planning (internal department focus))	<ul style="list-style-type: none"> <li>• % of new hires fluent in a 2<sup>nd</sup> language</li> </ul>
<b>One Minneapolis:</b> A. Close race & class gaps  C. Equitable City services  <b>A premier destination:</b> B. Reposition City	Safe & productive work environment	Reduce number of accidents caused by employees (internal department focus)	<ul style="list-style-type: none"> <li>• % decrease in number of accident reports</li> <li>• % decrease in number of lost work hours due to accidents</li> </ul>
		Develop & maintain a highly qualified, diverse workforce (internal department focus)	<ul style="list-style-type: none"> <li>• % of new hires who are women or people of color</li> </ul>

**MEASURE, DATA AND TARGETS TABLE**

Measure Name	2004 Data	2005 Data	2006 Data	2007 Data	2008 Target	2011 Target
Percent of permits processed via the web	7%	13%	15%	14% (YTD)	20%	50%
Average response time to exterior structural complaints on owner-occupied and rental single family properties	15 days	24 days	13 days	10 days (YTD)	10 days	10 days
Number and percent change in complaint driven inspections	10,781 -11%	8,537 -21%	14,035 64%		TBD based on impact of 311 & easier avenues to file complaints	15,000
Average response time for nuisance conditions on owner occupied and rental single family properties	3.5	7	5		5	5
Rental license revocations	2	1	32	9	40	50

***What key trends and challenges does the department face and how will each be addressed?***

**Foreclosures:** The department projects that foreclosures will be on a steep upswing, which it has been working closely with CPED to strategize how to minimize the negative impact. Demolition funding needs to be available for houses that cannot be rehabilitated, and the department is developing a plan to facilitate rehabilitation and resale of the properties that are salvageable. In addition, foreclosed properties may become maintenance problems. The department will continue to have a focus on housing inspection nuisance abatement activities, and plans to strengthen its ability to obtain cooperation from the property managers.

**Building permits:** Building activity has slowed somewhat, resulting in less permit volume and revenue. However, the new Twins ballpark and the plans for a possible new Vikings stadium may result in increased activities.

**Fleet, space and technology:** The department has an ongoing challenge in funding for fleet replacements, downtown and remote space, and technology improvements. It will explore solutions that meet its medium range needs while maximizing the value of available funding.

**Green:** To facilitate environmental objectives, the activities of the department are being reviewed and the department is striving to be green thinkers and doers to the extent possible while continuing to be financially responsible.

**Increased internal service charges:** Internal service charges have astronomically increased by 77% between 2006 and 2008.

**What actions will the department take to meet five-year financial direction? If applicable, what is the department's contingency plan on CDBG funding?**

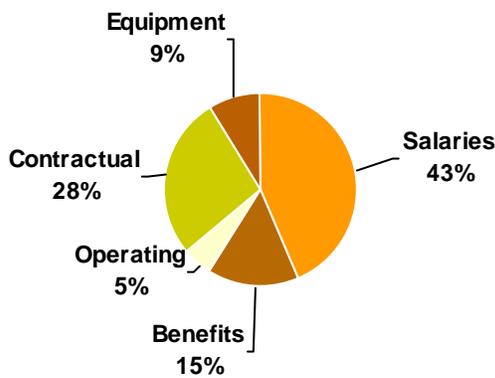
Regulatory Services will meet the five-year financial direction for revenues by bringing in 3% more revenues than budgeted for 2007. To achieve this, the department has included some small revenue increases associated with ordinance changes. These include increasing the administrative fee for assessments and revising refund practices. It will pursue these ordinance revisions during 2007. The department will meet the five-year financial direction for expenses by a continued focus on financial management and stepped-up enforcement.

**FINANCIAL ANALYSIS**

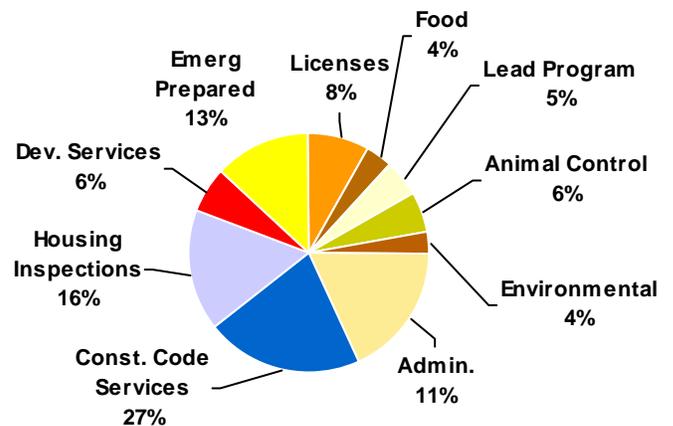
**EXPENDITURE**

For 2008, the Regulatory Services budget is \$30 million, a 16.8% increase from the 2007 adopted budget. An additional 2.5 positions in clerical support were added due to an increase in revenue. The expense budget for Regulatory Services includes \$7 million in federal, CDBG and other grant expenditures, up from 1.7 million in 2007.

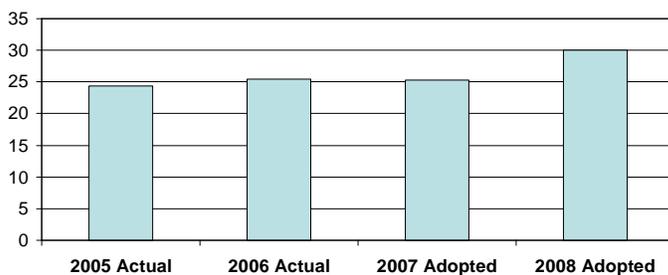
**Expenditures by Type (\$30 million)**



**Expenditures by Division (\$30 million)**



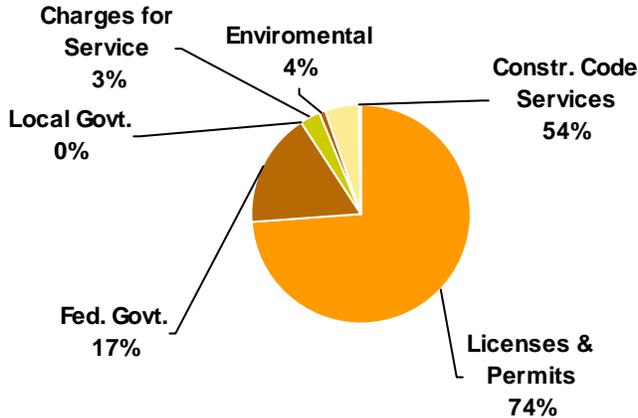
**Expenditures 2005-2008**



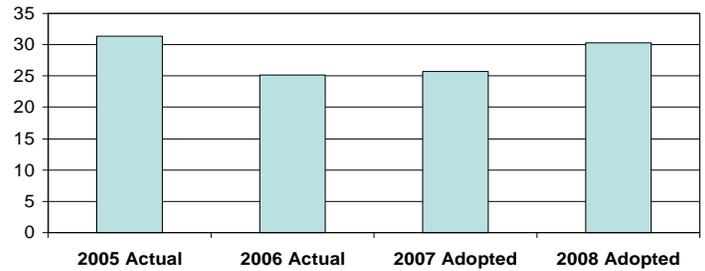
**REVENUE**

In 2008, Regulatory Services anticipates \$30.3 million in revenue.

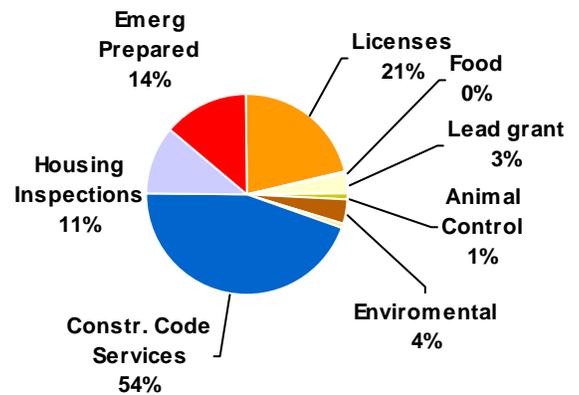
**Direct Revenue by Source (\$30.3 million)**



**Revenues 2005-2008**



**Direct Revenues by Division (\$30.3 million)**



**FUND ALLOCATION**

In 2008, 78% of the Department's budget is derived from the general fund (\$23.5 million). 17%, or \$5.2 million is funded through federal grants and 5%, or \$ 1.6 million is funded through other grants.

**MAYOR'S RECOMMENDED BUDGET**

The Mayor's recommended budget included a \$400,000 reduction to the department's budget. An additional position (\$60,000) was added to support task force efforts on problem businesses.

Taxi inspections (\$150,000 for two positions) were moved from Police to Regulatory Services.

**COUNCIL ADOPTED BUDGET**

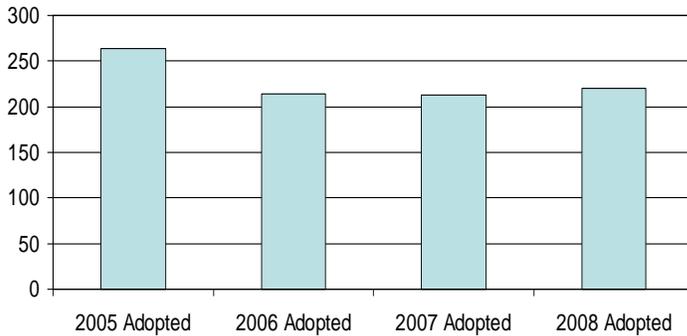
The Council adopted the Mayor's recommendations. The Council directed Regulatory Services to return to the Ways & Means/Budget Committee to report on the status of the nuisance abatement revolving fund and other revenues in April, 2008, including potentially clarifying the ordinance.

## REGULATORY SERVICES

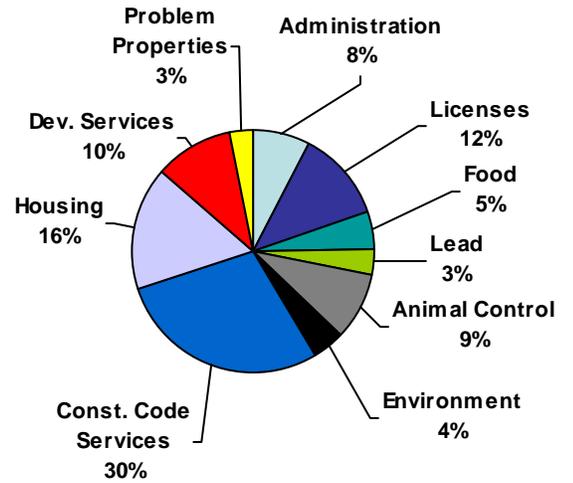
### Staffing Information

	2005 Adopted Budget	2006 Adopted Budget	2007 Adopted Budget	2008 Adopted Budget	% Change	Change
<b>FTE's by Division</b>						
Administration	38.00	12.00	12.00	16.50	37.50%	4.50
Licenses and Consumer Services	-	21.00	24.00	27.00	12.50%	3.00
Parking and Traffic Control	42.00	-	-	-		
Environmental Food	21.60	17.00	11.00	11.00	0.00%	-
Environmental Lead	-	3.00	6.00	7.00	16.67%	1.00
Animal Control	21.00	21.00	20.00	20.00	0.00%	-
Environmental Management	9.25	9.00	9.50	9.50	0.00%	-
Construction Code Services	63.00	75.00	64.00	63.00	-1.56%	(1.00)
Housing Inspections	44.90	36.75	43.75	36.00	-17.71%	(7.75)
Development Services	24.00	15.00	23.00	23.00	0.00%	-
Problem Properties	-	-	-	6.75	100.00%	6.75
<b>Total FTE's</b>	<b>263.75</b>	<b>213.75</b>	<b>213.25</b>	<b>219.75</b>	<b>2.11%</b>	<b>6.50</b>

**Staffing Summary 2005-2008**



**Positions by Division (219.75)**



**REGULATORY SERVICES  
EXPENDITURE AND REVENUE INFORMATION**

	2005 Actual	2006 Actual	2007 Adopted	2008 Adopted	Percent Change	Change
<b>Total Expenditure - All Funds</b>	24,338,365	25,280,675	25,669,505	29,973,415	16.77%	4,303,910
<b>Total Revenue - All Funds</b>	31,341,537	25,255,198	25,671,643	30,310,420	18.07%	4,638,777
<b>General Fund - City</b>						
Salaries and Wages	11,597,363	11,342,907	12,766,624	12,463,083	-2.38%	-303,541
Contractual Services	4,682,142	6,976,381	5,467,355	4,813,688	-11.96%	-653,667
Operating Costs	778,734	832,158	1,156,725	1,179,362	1.96%	22,637
Fringe Benefits	3,214,190	3,358,855	4,311,095	4,326,132	0.35%	15,037
Equipment	21,138	23,896	103,785	105,964	2.10%	2,179
Capital Outlay	59,101	604,146	131,020	133,771	2.10%	2,751
<b>Total Expenditure</b>	<b>20,352,667</b>	<b>23,138,343</b>	<b>23,936,604</b>	<b>23,022,000</b>	<b>-3.82%</b>	<b>-914,604</b>
Licenses and Permits	22,845,045	21,166,246	22,401,712	22,267,098	-0.60%	-134,614
Local Government	34,627	47,500	48,925	50,393	3.00%	1,468
Charges for Service	729,248	745,444	761,800	777,047	2.00%	15,247
Charges for Sales	299	284	200	200	0.00%	0
Fines and Forfeits	5,761,352	272,691	169,000	354,320	109.66%	185,320
Special Assessments	1,018,956	1,197,142	1,030,000	0	-100.00%	-1,030,000
Contributions	25	583				
Other Misc Revenues	72,387	69,861	5,105	75,235	1373.75%	70,130
<b>Total Revenue</b>	<b>30,461,939</b>	<b>23,499,750</b>	<b>24,416,742</b>	<b>23,524,293</b>	<b>-3.66%</b>	<b>-892,449</b>
<b>Special Revenue Funds</b>						
Salaries and Wages	169,459	210,495	13,043	587,220	4402.19%	574,177
Contractual Services	935,757	1,680,311	1,656,404	3,490,035	110.70%	1,833,631
Operating Costs	53,683	193,363	52,337	318,095	507.78%	265,758
Fringe Benefits	40,034	53,328	11,117	175,873	1482.02%	164,756
Equipment	6,610	4,834		2,380,192		2,380,192
Capital Outlay	170,552		0			
<b>Total Expenditure</b>	<b>1,376,095</b>	<b>2,142,332</b>	<b>1,732,901</b>	<b>6,951,415</b>	<b>301.14%</b>	<b>5,218,514</b>
Licenses and Permits				85,000		85,000
Federal Government	848,856	1,731,764	1,254,901	5,161,127	311.28%	3,906,226
State Government	12	23,683	0			
Special Assessments				1,540,000		1,540,000
<b>Total Revenue</b>	<b>848,868</b>	<b>1,755,448</b>	<b>1,254,901</b>	<b>6,786,127</b>	<b>440.77%</b>	<b>5,531,226</b>
<b>Enterprise Funds</b>						
Salaries and Wages	1,697,322					
Contractual Services	294,739					
Operating Costs	119,239					
Fringe Benefits	498,303					
<b>Total Expenditure</b>	<b>2,609,603</b>					
Charges for Service	30,730					
<b>Total Revenue</b>	<b>30,730</b>					