

MUNICIPAL BUILDING COMMISSION

Mission Statement:

The Municipal Building Commission was created by state statute in 1904 and given exclusive care and control of the Minneapolis City Hall and Hennepin County Courthouse building to provide effective and efficient services to operate, maintain and preserve this historic landmark building, and ensure a safe and functional environment for City and County government employees, citizens and elected officials.

Primary Businesses:

- Care of the Minneapolis City Hall and Hennepin County Courthouse Building

This business line is responsible for operating, maintaining and preserving the building through custodial, utility, repair and maintenance, preventive maintenance activities, and capital improvements.

- Control of the Minneapolis City Hall and Hennepin County Courthouse Building

This business line is responsible for administrative functions including serving as staff to the MBC Board, implementing Board directives, space assignment and coordinating City and County tenant needs as well as planning, emergency preparedness, security, communications, human resources, labor relations, contract services, information technology, finance, accounting, payroll, and operating and capital budgeting activities.

Key Trends and Challenges Impacting the Department:

1) Mechanical and Life Safety Systems Upgrade Project

The mechanical portion of the Mechanical and Life Safety Systems (MLSS) upgrade capital project involves renovation of heating, ventilating and air conditioning systems in the City Hall and Courthouse building. Life safety improvements include installation of sprinklers, fire alarms, smoke detection and public address systems; updating building exits and stairs; and installing fireproofing, smoke barriers and purge systems. In 2001, the MBC initiated the 23-stage, multi-year MLSS project. The implementation method protracted construction over a 12-year period to match funding ability of the City of Minneapolis. The goal is to replace tattered and failing systems before they collapse, and implement life safety components in 40 percent of the building where none currently exist. There is significant potential for total failure of systems that are two decades beyond their expected life cycle as well as potential safety risks for building tenants and visitors. Even with adherence to the current 12-year project schedule, the MBC may need to vacate portions of the building because of system failures.

MLSS project work requires gutting of spaces for implementation of mechanical and life safety systems, which presents a prime opportunity for removing asbestos and completing much needed routine repair and maintenance. Repair and maintenance work includes replacing inefficient electrical wiring and lighting; integrating light panels to increase energy efficiency; separating wiring for lights from outlets; installing new electrical systems on separate circuits to reduce the potential for circuit overload; coordinating the installation of code compliant telephone and computer wiring; removing radiators to reduce the use of steam; and installing new ceiling grids and tiles, carpeting, and paint. This work is being supported through the MBC operating budget at a cost of approximately \$475,000 annually. A majority of annual routine and preventative maintenance work is being focused in MLSS project areas instead of other areas in the building. Further budget reductions threaten the MBC's ability to sustain and continue MLSS project work.

Aside from the MLSS project, several other important projects are competing for capital funding including tower elevator and clock tower elevator upgrades, tower clock improvements, and building waterproofing. Because of limited resources, however, all of the capital funding the MBC receives is being funneled into the MLSS project for the next decade. The inability to complete capital projects such as those mentioned as well as unplanned events that arise could pose issues in the areas of safety and building functionality.

2) Escalating salary and fringe costs, and lack of non-personnel appropriation increases

Salary and fringe costs continue to increase each year. Cost of living increases for AFSCME union employees increased by more than 3 percent in 2001 and 2002 while building trade union employees experienced annual increases each year from 2001 to 2003 ranging from 4 to 6 percent, and between 2 to 4 percent in 2004. Healthcare costs also have grown by about 15 to 20 percent each year in 2002, 2003, 2004 and 2005. Increases in salary and fringe are being absorbed in conjunction with budget reductions making it difficult for the MBC to maintain current staffing levels.

Tenant and building needs are not diminishing, leaving the need for personnel even greater. Work order totals for the agency in 2003 equaled 4,606 (this figure does not account for capital projects, work for others projects, all preventive maintenance or routine custodial work performed in the building on a daily basis). The agency's current staffing compliment is not able to keep pace with building project work, preventive maintenance activities, and unplanned systems and equipment failures. Reductions in personnel will translate into reduced services for building tenants and overall diminished care of the building.

For several budget years, non-personnel appropriations -- utilities, paper and cleaning supplies, parts and supplies for building equipment and systems, tools, education and tuition reimbursement -- also have remained flat or have been reduced. The true cost of non-personnel items, however, has continued to go up with inflation leaving the MBC with less buying power. Lack of appropriation increases in non-personnel coupled with rising personnel costs have left the MBC with shrinking resources. Inability to purchase needed supplies and equipment for project work, and routine corrective and preventative maintenance jeopardizes the continued vitality of the historic landmark City Hall and Courthouse building. Furthermore, lack of funds for staff development and education deprives the agency of the efficiencies and enhancements that come from well-educated employees, and lowers the agency's ability to compete in the job market.

3) Maintaining and enhancing building security

MBC staff worked with City and County staff to develop a proposal for implementing and improving building security systems, and contracting for uniformed personnel trained in the area of security measures and first responding. To ensure the safety of tenants, visitors and property, continuation of the agency's security program is imperative. The building is in need of additional closed circuit television monitoring cameras and expansion of the access control system. Furthermore, it is crucial for the MBC to have the resources to detect what is happening in the building through either human or electronic means, and maintain skilled staff for assessing threat levels, and responding to medical emergencies and critical situations. The MBC did not increase line item costs for contracted Hennepin County security in the 2004 and 2005 budgets even though these costs are projected to increase. Lack of non-personnel increases in addition to continued budget reductions might require the MBC to pare down or eliminate the building security program. Lack of security equipment and uniformed presence in the building will make the MBC an easier target for possible terrorist activities, and result in lower levels of safety for tenants and visitors.

4) Agency communication

As part of the MBC's business plan development process, staff administered several surveys including an employee survey. MBC staff was asked to voluntarily complete the survey and was informed that their responses would be kept anonymous. The survey asked questions related to staff opinions on agency strengths and weaknesses, impressions on training classes and safety procedures, agency communication, and other miscellaneous suggestions or concerns. Overall results of the survey were very positive. Staff did, however, identify an area needing improvement: management-employee communication. Sixty-two percent of staff responding to the survey did not feel that the MBC kept employees well informed on employee-related matters. In addition, staff highlighted management-employee relations as an agency weakness. MBC management strives to provide two-way communication with agency employees. Managers employ an open door policy, all staff meetings are held on an annual basis, and staff is engaged in project planning and execution. Further strategies will be explored for improving and enhancing agency communication.

5) Workforce diversity

The MBC recognizes the importance of developing and maintaining a diverse work staff to parallel the diverse communities, in which we work and live. In the custodial and security division of the agency, MBC staff has made an attempt to diversify the staff by hiring people of color and female candidates. Agency hires over the past 2 years have resulted in diversifying the workforce with people of color and one woman. The number one overall obstacle to diversifying the workforce is the lack of open positions to be filled. In addition, an observed obstacle to hiring women is that many entry level positions require night, over-night and weekend shifts, which can be difficult to integrate into an employee's family structure. The ability to effectively communicate using the English language has been an obstacle in hiring and maintaining a diverse workforce as well. The MBC works with outside agencies to translate employment information and provide bilingual training for employees who do not speak English as their first language; however, a minimal basic amount of English is required in order to start in the job.

In the building trades division of the agency, open positions are hired through the respective labor unions. Candidates are trained in their labor unions apprentice programs, which range from 5 to 7 year programs. Applicants must apply to participate in the labor union's apprentice program. Although, the MBC hires from the labor unions' apprentice programs, the MBC does not have input on the diversity of employees who are selected to participate in the labor union apprentice programs. People of color and women participating in apprentice programs are desirable employees and may have the unique ability to select an employer.

Public agencies like the MBC are not always capable of meeting salaries and benefits offered by private organizations that may be in the position to offer incentives such as financial bonuses, expedited timelines or parking reimbursements. Regardless of the challenges involved, the MBC has a history of and will continue to work to maintain a diverse workforce.

6) Revenue opportunities

To help mitigate the impacts of future budget reductions and lessen dependence on property tax revenues for supporting agency activities, MBC staff is in the process of exploring new sources of revenue. Potential new revenue streams include grant awards, implementation of a coffee shop, renting out spaces in the building such as the Rotunda, City Council Chambers and District Courtrooms for special events, expanded vending, and sale of City Hall and Courthouse memorabilia.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

The Municipal Building Commission has identified the following key initiatives. The initiatives identify a mix of activities that will be accomplished within the next five years as well as on-going activities that

are expected to carry on beyond 2009. Information is presented on initiatives that are department-wide and those that are specific to agency business lines. A more detailed explanation of each initiative follows the summary list below.

Department-wide Key Initiatives

- Revenue Generation Options and Grant Opportunities
- Information Systems and Web Site
- Energy Conservation

Business Line Key Initiatives

Care Business Line

- Mechanical and Life Safety Systems (MLSS) Upgrade Project
- Asbestos Abatement
- Routine Repair and Maintenance throughout Department Spaces
- Preventive Maintenance Program and Equipment Replacement
- Building Recycling Program

Control Business Line

Security Initiative

- AutoCAD Drawing Updates
- Multi-lingual Signage Project

Department-wide Key Initiatives

Revenue Generation Options and Grant Opportunities

While resources to government entities are decreasing, costs for personnel, benefits, utilities, supplies and materials to do business continue to grow. As the cost of doing business goes up and the level of service expectation remains the same or greater, government organizations are faced with tough choices. The challenges of managing and maintaining an historic facility also put added strain on resources for the Municipal Building Commission due to often incomplete information for completing projects and the inventive methods that must be employed for getting work done.

Shrinking resources have impacted the MBC in the form of budget reductions over the last several budget cycles. To help mitigate impacts of these reductions and identify non-property tax revenue resources, MBC staff has identified several potential external revenue sources as outlined below:

- **Coffee Shop:** Results of a Request for Proposal process indicated that there was not significant interest within the café/deli business sector to implement such facilities at the City Hall and Courthouse building. The MBC further explored the possibility of implementing a smaller scale operation to provide coffee and limited food service in the building. Interest in this type of venture has been very positive. MBC staff is currently reviewing qualifications of several local vendors and will be making a recommendation to the MBC mid-Summer 2005. Build-out for the coffee shop operation will occur in conjunction with Mechanical and Life Safety Systems Upgrade activities and is expected to be complete by second quarter of 2005. Revenue from the coffee shop will be funneled into the MBC Historic Preservation Fund.
- **Rental Space:** Key locations in the City Hall and Courthouse such as the Rotunda, City Council Chambers and Hennepin County District Conference and Courtrooms will be made available for special events, weddings and meetings. Patrons will use internal catering facilities, event set-up

and equipment. A Request for Proposal for the catering operation was sent out in January 2004. A review committee selected Lancer Catering to provide catering services in the building. It is expected that the space rental and catering operation will be implemented by March 2005. Revenues from this initiative will be put into the MBC Historic Preservation Fund.

- Vending Sales: A Request for Proposal process received interest from one vendor to provide vending services in the City Hall and Courthouse building -- Minnesota State Services for the Blind (MSSB). The MBC has signed a contract with MSSB to provide vending services in the building through 200X. Vending machines will be accessible 24-hours-per-day and 7-days-per-week, and will offer a variety of gourmet coffees, sodas, water, juice, milk, snacks, salads, yogurt, fruits, pastries, sandwiches, and candy. Revenues received from vending sales will be channeled into the MBC Historic Preservation Fund.
- Market Building Memorabilia: Postcards, Municipal Monument books, hats, sweatshirts, mugs and other items would be made available for sale on-line through the agency's Web site. MBC staff is in the process of further exploring the cost effectiveness from these sales and the steps necessary for implementing such an endeavor.
- Grant Funding: MBC staff has researched several potential grant opportunities. Staff is in the process of determining appropriate projects to submit according to grant funding guidelines. It is likely that the MBC will submit a proposal for grant funding in 2005. MBC staff also will work to develop a closer relationship with the City of Minneapolis, Grants and Special Projects office as well as other City and County departments who receive grant funding to identify grant opportunities, and provide technical assistance.

The MBC Historic Preservation Fund will support the following activities: any and all activities both operating and capital in keeping with the agency's mission to provide effective and efficient services to operate, maintain and preserve the historic landmark Minneapolis City Hall and Hennepin County Courthouse building, and ensure a safe and functional environment for City and County government employees, citizens and elected officials. All funds will be accounted for in a Special Revenue Fund according to City of Minneapolis accounting practices; any unspent funds remaining at the end of the calendar year will go into an MBC fund balance and will be carried over into the next calendar year. Furthermore, all projects utilizing MBC Historic Preservation Funds will be brought before the MBC Board for approval.

Information Systems and Web Site

The MBC has implemented and continues to develop and enhance several automated systems including: Aperture, Energy Management System and MicroMain. In addition, the MBC currently maintains Intranet and Internet Web sites for policy-makers, City and County employees, and members of the public to access information about the MBC and City Hall and Courthouse Building. Brief summary descriptions of these systems follow:

- Aperture: A computer aided facilities management (CAFM) software program. Aperture is used by the MBC for providing readily accessible, up-to-date and accurate information on space utilization within the Minneapolis City Hall and Hennepin Courthouse building. Aperture is a powerful software tool for storing, displaying and analyzing complex facility information. Visual functions depict layers of drawings for entire floors or can be used to zoom into specific department areas, office groups or even individual offices. Users also can select from a number of reports showing data such as department location in the building or usable space by floor and agency. Availability of this data makes it possible for the MBC to expedite design services and renovations, determine building usage, quickly relay information and make informed management decisions.

- Energy Management System: MBC staff is in the process of planning for and implementing an energy management system. This system will automate electrical and heating, ventilation and air conditioning systems. Energy consumption will be tracked and readily accessible. In addition, staff will have greater control over management and operation of these systems via computerized means. The MBC Energy Management System will help support more efficient use of energy throughout the building.
- MicroMain: An automated maintenance software package used for facilities management. MicroMain is a customizable software package that is tailored to meet the needs and business operations of the MBC. The program issues, assigns and tracks work orders for routine, corrective and preventive work activities by location and type of equipment. Use of this software allows the agency to compile summary information on work volume and gauge outcomes such as the length of time to complete work requests as well as the labor time involved in completing various types of work. MicroMain fosters enhanced planning and evaluation of resource allocation.
- Web Sites – Intranet & Internet: The agency has developed and implemented a Web site for internal use by MBC employees, and City and County tenants as well as a public site located at <http://iwww1/mbc> and <http://www.municipalbuildingcommission.org>, respectively. Both sites provide information on the Municipal Building Commission Board, a wealth of historical information and photos about the building, project updates and important notices. The internal site accessible by tenants and employees provides links for requesting agency services on-line and to the tenant handbook, which outlines emergency procedures and building policies. Both Web sites are important tools that allow 24-hour, instantaneous access to information about the MBC and the City Hall and Courthouse building. It is likely that the Web site will be used to market and sell agency memorabilia.

Energy Conservation - Electrical Consumption

Over the past five years, electrical consumption in the City Hall and Courthouse has been reduced approximately 25 percent. The building used 758,443 kilowatt-hours-per-month in September 1998 as compared to 555,599 kilowatt-hours-per-month in September 2003. Chart 1 below shows these reductions.

In September 2001, the building experienced significant reductions shortly after the opening of the Hennepin County Public Safety Facility (PSF). When the nine-month period after the opening of the PSF is ignored, linear regression analysis indicates that electrical consumption and demand was falling both before and after this period. In fact, electrical consumption fell even faster after May 2002 than before September 2001. It should be noted that three large air-handling units were installed between September 1998 and September 2003. These new units consume additional electricity but provide increased quantities of fresh air in previously poorly ventilated areas. Despite the additional electrical consumption from these large fans, overall electrical consumption has continued to fall.

The electrical savings in the City Hall and Courthouse are due to a number of factors. Many improvements occurred as part of the MLSS upgrade project. They include:

- installation of energy efficient lighting
- installation of variable frequency drives that allow motors to run at reduced rates
- installation of lighting controls incorporating night lighting shut-off
- energy management system upgrades incorporating night HVAC shut-off
- installation of energy efficient motors

Many of these upgrades resulted in revenues to the City and County for energy efficiency rebates from Xcel energy. MBC staff will continue to introduce energy efficient components, systems and equipment throughout the building, and utilize rebate programs, where applicable.

Energy Conservation - Chilled Water and Steam Consumption

Analysis of steam and chilled water consumption in the City Hall and Courthouse over the past six years indicates cooling water consumption appears to be decreasing (improving) slightly and steam consumption appears to be increasing slightly. Variations in outside temperature over this period may make the observed changes insignificant. Based on this information the MBC is achieving its goal of maintaining existing levels of energy consumption while expanding and upgrading HVAC systems throughout the building.

Annual cooling water consumption was analyzed from 1997 through 2002. Results of the analysis show that cooling water consumption is not increasing. Review of cooling degree-day trends indicates that summers have been getting slightly warmer over the past six years. Since summers got slightly warmer and the cooling water consumption remained stable, cooling water efficiency improved.

Annual steam consumption also was analyzed from 1997 through 2002. Results of the analysis show that steam consumption increased slightly over this period. Examination of heating degree-day trends show that heating demand has remained stable. On this basis, steam consumption has increased. Graphical analysis of the steam consumption trends indicates an increase of approximately 1,000 mlbs. over the six year period. This equates to less than one-half percent, per year, which may be less than the error accuracy of the analysis techniques.

During the six-year period, numerous large air-handling units have been installed in the City Hall and Courthouse. These units are utilized to provide increased quantities of ventilation air. In addition, literally hundreds of variable air volume heating coils have been installed to provide area heating in remodeled areas throughout the building. Perimeter radiation heating units and specialty computer room cooling units also have been installed in the building.

In summary, the MBC appears to be meeting its goal of improving heating, ventilating and air conditioning systems within the City Hall and Courthouse without significantly increasing energy consumption. Over the past four years, a significant quantity of new air handling capacity, heating and cooling coils and perimeter radiation has been installed. Over this same period, the variation in the consumption of steam and cooling water in the building has been insignificant after accounting for changes in outside temperature as discussed previously.

Several methods have been utilized to improve temperature control within the building without significantly increasing steam and cooling water consumption. They include the following:

- replacement of inefficient obsolete equipment
- use of economizer cycle (outside air for natural cooling during the Spring and Fall seasons)
- upgrade of the building's energy management system
- reduced energy consumption during unoccupied hours

The MBC will continue to monitor and track chilled water and steam consumption, and strive to maintain and incorporate energy efficient systems and practices.

Care Business Line Key Initiatives

Mechanical and Life Safety Systems (MLSS) Upgrade Project, Asbestos Abatement and Routine Repair and Maintenance throughout Department Spaces

Based upon key reports and information received from several experts, the MBC initiated the 23-stage Mechanical and Life Safety Systems (MLSS) upgrade capital project in 2001. Results of reports indicated that the City Hall and Courthouse was in dire need of upgrading the building mechanical system installed in an uncoordinated, piecemeal fashion between 30 and 60 years ago, and incorporating life safety components in approximately 60 percent of the building where none exists. The mechanical portion of the MLSS project involves renovation of heating, ventilating and air conditioning systems. The design includes four packaged air-handling units on every other floor of the building. These units will be supplied with chilled and hot water from risers located in the four corner shafts. The design also includes new distribution ductwork with variable air volume boxes; electronic controls; converting existing air handling units to use 100 percent outdoor air; hot water finned tube radiation in rooms with exterior walls; and creation of three main exhaust systems (smoke, toilet and general). Life safety improvements include installation of sprinklers, fire alarms, smoke detection and public address systems; updating building exits and stairs and installing fireproofing smoke barriers and purge systems.

Planning by MBC, the City of Minneapolis and Hennepin County resulted in the implementation of a combined life safety, mechanical upgrade, asbestos abatement and routine suite improvement program. The implementation method protracted construction over a 12-year period to match funding ability of the City of Minneapolis. Key outcomes of the project are to replace tattered and failing systems before they collapse, and implement life safety components for improving building occupant safety. There is significant potential for total failure of systems that are decades beyond their expected life cycle as well as potential safety risks for building tenants and visitors. Even with adherence to the current 12-year project schedule, the MBC may need to vacate portions of the building because of system failures.

MLSS project work requires gutting of spaces for implementation of mechanical and life safety systems, which presents a prime opportunity for removing asbestos and completing much needed routine repair and maintenance. Repair and maintenance work in project spaces includes replacing inefficient electrical wiring and lighting; integrating light panels to increase energy efficiency; separating wiring for lights from outlets; installing new electrical systems on separate circuits to reduce the potential for circuit overload; coordinating the installation of code compliant telephone and computer wiring; removing radiators to reduce the use of steam; and installing new ceiling grids and tiles, carpeting, and paint.

Four stages of the MLSS project have been completed to date involving City-occupied space in the building. As both the City and County maintain equal ownership in the agency, capital project funding is supported 50-50 by these two entities. Capital funding requests are submitted annually to the City Capital and Long-range Improvement Committee and the County Capital Budgeting Task Force, and are approved in five-year cycles. The MBC anticipates seeking capital funding for the MLSS project through 2013. To stretch capital project dollars, project work also is being supported through the MBC operating budget at a cost of approximately \$475,000 annually for completing routine repair and maintenance work in department spaces.

City and County goals impacted through MLSS project activities include enhancing tenant and public safety, providing quality services at a good value to tax payers, preserving the historic City Hall and Courthouse, promoting a sustainable City and County, and supporting key City and County functions performed by departments located in the building.

Preventive Maintenance Program and Equipment Replacement

Standard practice in any facility management organization includes development and implementation of a preventive maintenance program. Preventive maintenance should be completed on all building systems and equipment to extend useful life and reduce overall operating costs. Regular maintenance also can detect potential failures and repairs, and allow for planned replacement. Other activities included under the preventive maintenance category are such tasks as regular window cleaning, carpet cleaning, floor waxing, painting and re-lamping; these activities also extend the life of building infrastructure and allow for inspection to determine future replacement needs.

Without preventive maintenance, systems and equipment can break down causing significant impacts to building tenants and visitors -- considerable cost can be incurred, productivity can be reduced and access to needed services can be hampered. Identifying system and equipment needs through preventive maintenance leads to proactive planning for replacement, and the ability to determine costs up-front and set aside necessary resources. Inconvenience and consequences to tenants and visitors should be seamless under a planned replacement scenario. Furthermore, corrective maintenance calls should be reduced as the direct result of a vigorous preventive maintenance program.

The MBC conducts preventive maintenance activities on a regular basis for all building systems, equipment and infrastructure. Staff is working on developing an automated program utilizing MicroMain for streamlining scheduling of this work and ensuring that it is completed according to recommended manufacturer standards. Budget reductions have impacted the agency preventive maintenance program. The agency is unable to support an adequate level of human resources for completing project work, responding to unplanned, higher priority, corrective maintenance issues and continuing to complete preventive maintenance at the same time -- resources are directed towards the areas of greatest need. The consequence has been that less time is dedicated to preventive maintenance except for the most critical building components.

In addition, completion of consistent and regular preventive maintenance has not always occurred in the building's history. Lack of regular maintenance and replacement has caused additional wear and tear on systems, equipment and other building infrastructure such as carpet, tiled floors and painted walls: a large proportion of building infrastructure is being utilized beyond its expected life cycle. To determine the state of building systems, equipment and infrastructure, and begin planning for updates to old, out-dated and failing components, the agency is working on implementing an equipment replacement program.

City and County goals supported by MBC preventive maintenance and equipment replacement activities include enhancing tenant and public safety, providing quality services at a good value to tax payers, preserving the historic City Hall and Courthouse, promoting a sustainable City and County, and supporting key City and County functions performed by departments located in the building.

Continued budget reductions will significantly impact the livelihood of the agency preventive maintenance and equipment replacement programs. The programs are barely sustained under the current level of funding. Loss of these important programs will compromise overall care and maintenance of the City Hall and Courthouse building, and jeopardize a key linkage to the City's and County's past.

Building Recycling Program

In March 2003, the Hennepin County Department of Environmental Services implemented a revised recycling program for County buildings. The program, "Take a Second Look," has the potential to increase recycling revenue, decrease waste stream costs and improve the environment.

MBC staff reviewed the recycling model developed by Hennepin County. Many of the practices outlined in the County program would benefit the City Hall and Courthouse building. Staff developed a similar program plan for the building and presented it to the MBC Board in December 2003. The program approved by the Board in December was implemented early in 2004. The program includes:

- A tenant kick off and training component to inform tenants about the new collection process for white paper mixed paper, cans, glass, plastic bottles and newspaper mix.
- Approximately 2,000 new desk-side recycling containers for white and mixed paper were distributed to employees located in the building.
- 600 existing stackable intermediate recycling containers were newly labeled.
- 200 additional stackable intermediate recycling containers were located throughout the building in conference rooms and additional office locations.
- The MBC is transporting metal cans, glass and plastic bottles to the Hennepin County Recycling Center and Transfer Station located in Brooklyn Park.
- MBC staff plans to evaluate increases in revenue, decreases in waste cost and report the results to the MBC Board on an annual basis.

Control Business Line Key Initiatives

Security Initiative

Recent events have heightened interest in and the need for building security. Several high profile City and County departments are located in the building including the Mayor's Office, City Council, Minneapolis Emergency Communications Center (911-call center), City Coordinator, City Clerk and Hennepin County Arbitration and Conciliation Court. MBC staff worked with City and County staff to develop a proposal for implementing and improving out-of-date building security systems, and contracting for uniformed personnel trained in the areas of security measures and first responding.

Security staff contracted through Hennepin County has been patrolling the City Hall and Courthouse building since April 2003. These staff provide access control and protection of property, patrol the building during business hours, and act as first responders in medical emergencies and duress situations. The MBC also will recruit and train in-house staff to perform security duties in 2004. MBC internal security staff will protect the building and tenants on a 24-hour, 7-day-per-week basis and will staff the Security Desk located in the Rotunda of the building. Plans also are moving forward to install additional closed circuit television monitoring cameras and connect these cameras to the Hennepin County Security Operations Center (SOC) located in the Government Center. County security staff will monitor these cameras on a 24-hour basis. Final connection to the SOC should be made in 2004 when construction of this new center is complete. Staffing costs are on going and currently supported through 2004 via the MBC annual operating budget. Capital funding has been provided by the City and County for the limited activities identified above.

MBC security activities aid in meeting important City and County goals such as enhancing tenant and public safety, ensuring access to necessary government information and services, preserving the historic City Hall and Courthouse, promoting a sustainable City and County, and supporting key City and County functions performed by departments located in the building.

Agency budget reductions threaten continued support of building security initiatives. Further funding cuts may require the MBC to pare down or eliminate the security program compromising the safety of policy-makers, tenants and visitors in the building. It is crucial for the MBC to maintain skilled security staff for assessing threat levels and responding to medical emergencies and critical situations. Lack of

security equipment and uniformed presence in the building will make the MBC an easier target for possible terrorist and other acts of foul play.

AutoCAD Drawing Updates

Architectural drawings are key to the efficient and effective functioning of any building. Drawings show information on architectural elements such as internal and external walls, stairwells, elevator shafts, doors and windows as well as infrastructure and systems such as electrical, voice and data wiring, sprinkler systems, plumbing fixtures and air handling units. Building plans are used in all aspects of facility management and provide valuable information for maintaining systems and equipment, and completing construction work. Furthermore, plans show the existence and locations of items hidden in ceilings, walls or floors that cannot readily be seen without extra effort or, in some cases, excavation.

AutoCAD -- a computer aided drafting software -- is the most common method used for storing building drawings. Plans are created and stored electronically making access and updates to drawings easier. Widespread practice of building managers is to maintain master drawings representing information for all aspects of the facility. Building plans are used on a regular basis. Outdated and missing information can result in erroneous decisions, cause mistakes, increase costs and decrease productivity. Maintaining up-to-date and accurate drawings is imperative for basing important decisions and facilitating project work.

The City Hall and Courthouse building has undergone decades of project work and changes to building architecture and systems, which have not been closely tracked or well documented. The MBC literally has hundreds of electronic and hard copy drawings related to the building, and continues to compile new information as MLSS and other project work is completed. Furthermore, efforts are being made to document information on many building components that are not represented on any plans. As a result, agency master drawings are incomplete. Lack of complete information makes it difficult to obtain accurate building information and takes up considerable amounts of staff time compiling and/or verifying needed information.

Using AutoCAD, the MBC plans to streamline building information onto single electronic drawings for each floor. Plans will be updated per project work that has occurred in the building and formatted according to the agency AutoCAD Protocol document completed in June 2002. In addition, missing information will be added.

As with other initiatives already identified, budget cuts compromise the ability of the MBC to follow through and complete the work of updating building AutoCAD drawings. Updates have primarily been completed through the work of in-house staff, as time permits. As a result, only a minimal percentage of the project has been accomplished. Completion of this work is imperative for enhancing and facilitating MBC activities in the City Hall and Courthouse building.

Updating building AutoCAD drawings relates to several City and County goals: enhancing tenant and public safety, providing quality services at a good value to tax payers, preserving the historic City Hall and Courthouse, promoting a sustainable City and County, and supporting key City and County functions performed by departments located in the building.

Multi-lingual Signage Project

The local community is becoming more diverse. As a result, large numbers of Hennepin County and Minneapolis residents speak a language other than English. The MBC is currently working with the City of Minneapolis, Multi-cultural Services Department and an outside vendor to improve access to government services in the City Hall and Courthouse building for limited English proficient residents.

Work is moving forward on installing multi-lingual signage throughout the building showing a floor plan, room numbers and department names in up to ten languages including Somali and Spanish. Other MBC activities in this area include improving staff access to and procedures related to providing interpreter services for people who do not speak English.

Other Models of Providing Service

MBC staff evaluated other models for providing services to maintain the City Hall and Courthouse building, and meet the needs of building tenants and visitors. Outsourcing for services -- building maintenance, custodial and security activities -- is a key trend in many public and private-sector facility management organizations.

The Municipal Building Commission currently uses a combination of in-house staffing and outsourcing to minimize costs in the area of building maintenance. By comparing bid alternates and quotes with estimated in-house labor costs the MBC retains the flexibility to implement the most practical method of completing tasks. Both methods (outsourcing and utilizing in-house staff) have proven to be cost effective depending upon the situation.

There are advantages and disadvantages to outsourcing. In some situations, outsourcing is financially cost effective and offers a good value. In other situations, in-house staff can complete projects faster and cheaper. In-house staff possess institutional knowledge -- particularly intimate knowledge of building systems and architecture -- that plays an integral role in completing project work in an historic, 100-year-old building such as the City Hall and Courthouse. Furthermore, MBC staff show loyalty to the agency and take pride in their work, which impacts the ultimate outcome of caring for and maintaining the building. Staff turnover at the MBC has remained quite low. Lower levels of staff turnover saves money by reducing administrative activities involved in promoting, recruiting and hiring for positions as well as costs associated with training and lower productivity from new employees while they become familiar with their new position.

Other issues with outsourcing include loss of control over employee screening and hiring, and the ability to ensure that trustworthy and honest employees are providing services such as security, entering sensitive areas of the building, and working on key systems and equipment. Tenants appreciate familiar faces and have higher comfort levels with employees they know. Use of non-Union labor also can raise concerns from organized labor groups. Flexibility and quick response to tenant and visitor needs can be compromised with use of contract staff as well.

The MBC plans to continue working on capturing the advantages offered by both outsourcing and use of in-house staff on a case by case basis keeping in mind the best interests of the City Hall and Courthouse building, tenants and visitors to the building, and the public.

Primary Business: CARE

Description of Primary Business: This business line is responsible for operating, maintaining and preserving the building through custodial, utility, repair and maintenance, preventive maintenance activities, and capital improvements.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected

Explanation of Key Performance Measures: The MBC participated in the City of Minneapolis business planning process. The MBC Board ratified the MBC 2004-2008 Business Plan in February 2004. MBC staff also had the opportunity to present key business plan information to the Hennepin County Board and Minneapolis City Council. The agency business plan was well received by both groups. In the 2004-2008 Business Planning process, MBC performance measures were reviewed. Several new performance measures were developed and

several existing performance measures were revised. Due to these changes, the MBC does not have relevant past data to report for these measures. In addition, until data has been collected and analyzed for 2004, it is difficult to provide estimate figures for these newly implemented performance measures. Complete data will be provided during the 2005 budget development cycle.

Primary Business: CONTROL

This business line is responsible for administrative functions including serving as staff to the MBC Board, implementing Board directives, space assignment and coordinating City and County tenant needs as well as planning, emergency preparedness, security, communications, human resources, labor relations, contract services, information technology, finance, accounting, payroll, and operating and capital budgeting activities.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected

Explanation of Key Performance Measures: The MBC participated in the City of Minneapolis business planning process. The MBC Board ratified the MBC 2004-2008 Business Plan in February 2004. MBC staff also had the opportunity to present key business plan information to the Hennepin County Board and Minneapolis City Council. The agency business plan was well received by both groups. In the 2004-2008 Business Planning process, MBC performance measures were reviewed. Several new performance measures were developed and several existing performance measures were revised. Due to these changes, the MBC does not have relevant past data to report for these measures. In addition, until data has been collected and analyzed for 2004, it is difficult to provide estimate figures for these newly implemented performance measures. Complete data will be provided during the 2005 budget development cycle.

Financial Analysis:

EXPENDITURE

The Municipal Building Commission's expenditures increase by 2.9% in 2005 to \$7.18 million. The largest increase appears in Fringe Benefits. The number of positions decreases by one for a total of 61 positions.

The budget for MBC includes \$12,800 for benefits administration which was centrally budgeted in the past. It also includes \$45,000 to phase in General Fund overhead charges. If charges are phased in over 5 years, MBC's General Fund annual overhead charges are estimated to be \$274,000.

REVENUE

The Commission has a 1.9% overall increase in revenues in 2005. It receives \$3.6 million from Property Taxes revenue, a \$94,000 or 2.7% increase from 2004. Charges for Service brings in an additional \$66,000, a 2.1% increase. There is also a decrease of \$12,000 in Rents and an \$11,000 or 4.7% decrease in State Government revenues.

MAYOR'S RECOMMENDED BUDGET

No changes were recommended by the Mayor.

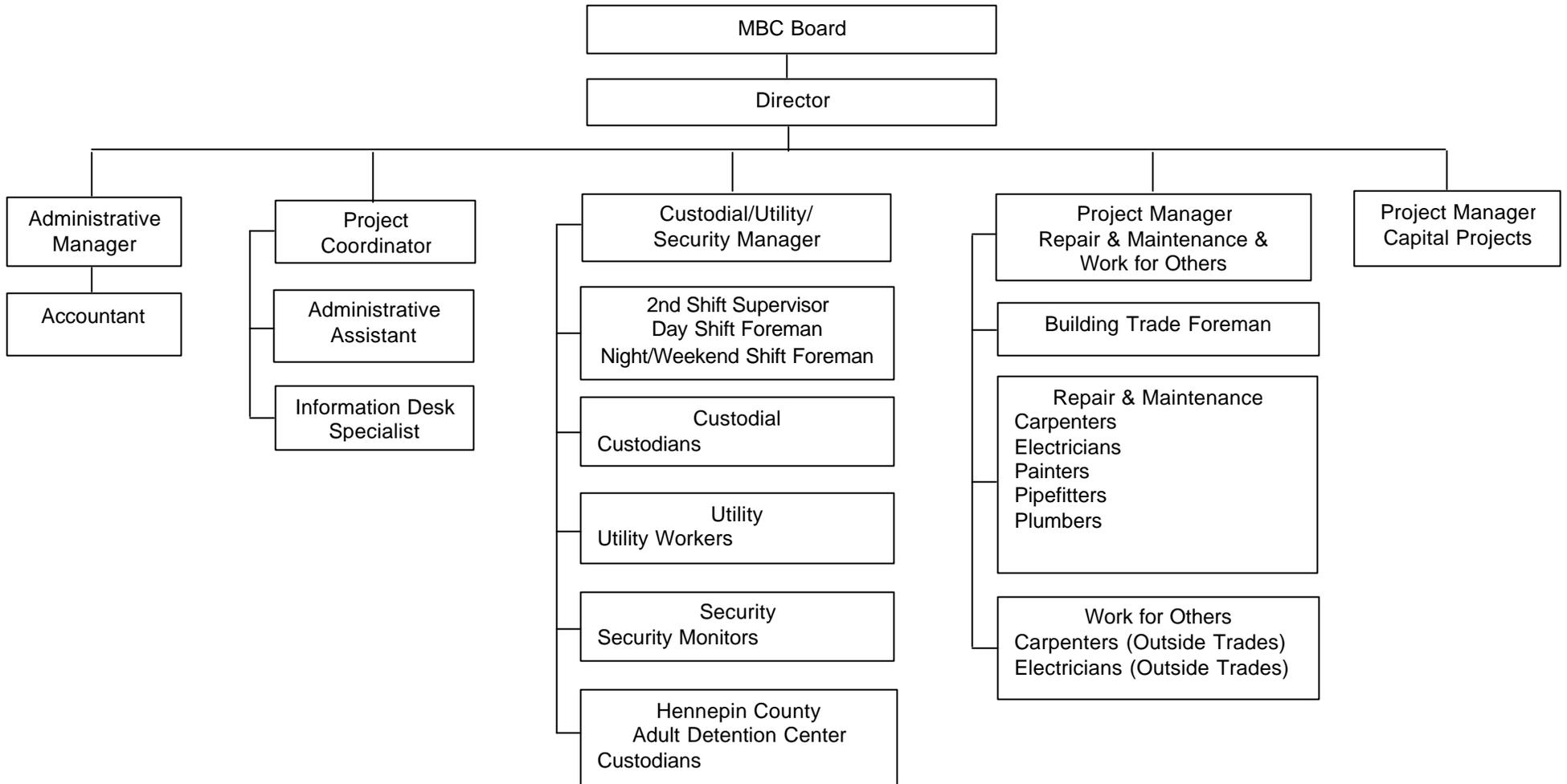
ADOPTED BUDGET

No changes were adopted by the Council.

**MUNICIPAL BUILDING COMMISSION
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	% Change
FTE's by Division						
Administration	5.50	5.50	5.50	6.00	9.09%	0.50
Custodial and Security	38.00	35.50	35.50	34.00	-4.23%	(1.50)
Repairs and Improvements	18.00	18.00	17.00	17.00	0.00%	-
Adult Detention Center	2.00	2.00	1.00	1.00	0.00%	-
Works for Others	3.00	3.00	3.00	3.00	0.00%	-
Total FTE's	66.50	64.00	62.00	61.00	-1.61%	(1.00)

Municipal Building Commission Organizational Chart



MUNICIPAL BUILDING COMMISSION
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Special Revenue Funds						
Contractual Services	2,587,749	2,675,270	2,298,628	2,380,925	3.6%	82,297
Equipment	460	0	6,000	6,000	0.0%	0
Fringe Benefits	837,219	899,130	1,027,749	1,148,205	11.7%	120,456
Operating Costs	653,864	649,229	570,858	566,902	-0.7%	-3,956
Salaries and Wages	2,752,584	2,818,210	3,073,767	3,079,612	0.2%	5,845
Transfers	171,000	164,000	0	0		0
Total for Special Revenue Funds	7,002,876	7,205,838	6,977,002	7,181,644	2.9%	204,642
Total for MUNICIPAL BUILDING C	7,002,876	7,205,838	6,977,002	7,181,644	2.9%	204,642

MUNICIPAL BUILDING COMMISSION
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Special Revenue Funds						
Charges for Sales	53,720	100,338	87,000	87,000	0.0%	0
Charges for Service	3,116,069	3,106,162	3,126,217	3,192,442	2.1%	66,225
Interest	2	0	0	0	0.0%	0
Other Misc Revenues	7,256	94	200	600	200.0%	400
Property Taxes	3,057,016	3,282,801	3,523,871	3,617,525	2.7%	93,654
Rents	55,687	55,611	54,750	42,500	-22.4%	-12,250
Sales and Other Taxes	287	299	0	0	0.0%	0
State Government	515,383	464,005	253,028	241,214	-4.7%	-11,814
Total for Special Revenue Funds	6,805,420	7,009,310	7,045,066	7,181,281	1.9%	136,215
Total for MUNICIPAL BUILDING COMMISSION	6,805,420	7,009,310	7,045,066	7,181,281	1.9%	136,215